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REPORTS

FROM

COMMITTEES:

EIGHT VOLUMES.

— (4.) —

FIRE PROTECTION;
GALWAY HARBOUR (COMPOSITION OF DEBT) BILL;
GAME LAWS (SCOTLAND) BILL;
LIMITED LIABILITY ACTS;
PARIS EXHIBITION; PUBLIC ACCOUNTS.

Session

5 February——21 *August* 1867.

VOL. X.

1867.

REPORTS FROM COMMITTEES:

1867.

EIGHT VOLUMES:—CONTENTS OF THE

FOURTH VOLUME.

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REPORT

FROM THE

SELECT COMMITTEE

ON

FIRE PROTECTION;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
25 *July* 1867.

471.

Tuesday, 12*th March* 1867.

Ordered, That a Select Committee be appointed to inquire into the existing Legislative Provisions for the Protection of Life and Property against Fires in the United Kingdom, and as to the best means to be adopted for ascertaining the Causes and preventing the Frequency of Fires.

Wednesday, 27*th March* 1867.

Select Committee nominated of,—

Mr. Beach.	Mr. Lusk.
Mr. Agar-Ellis.	Mr. M'Lagan.
Mr. Gorst.	Mr. Miller.
Lord Richard Grosvenor.	Mr. Read.
Mr. Horsfall.	Mr. Henry B. Sheridan.
Mr. Kinnaird.	Mr. Turner.
Mr. Lanyon.	Mr. Whitmore.
Mr. Leeman.	

Ordered, That the Committee have power to send for Persons, Papers, and Records.

Ordered, That Five be the Quorum of the Committee.

Friday, 12*th April* 1867.

Ordered, That the Select Committee on Fire Protection do consist of Seventeen Members.

Ordered, That Mr. *Tite* and Mr. *Laird* be added to the Committee.

Thursday, 25*th July* 1867.

Ordered, That the Committee have power to report their Observations, together with the Minutes of Evidence taken before them, to The House.

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REPORT.

THE SELECT COMMITTEE appointed to inquire into the existing Legislative Provisions for the PROTECTION of LIFE and PROPERTY against FIRES in the UNITED KINGDOM, and as to the best Means to be adopted for ascertaining the Causes, and preventing the Frequency of Fires:—— HAVE considered the Matters to them referred, and have agreed to the following REPORT:

YOUR Committee adopted three modes of obtaining information to assist them in coming to a conclusion on the subjects of their inquiry: first, By examining witnesses from different parts of the United Kingdom; secondly, By the evidence taken by the Select Committee of 1862, on Fires in the Metropolis, and the Report of that Committee; and, thirdly, By obtaining answers to certain questions bearing on the subject from the municipal authorities of some of the principal towns in the kingdom.

The inquiry entrusted to your Committee resolved itself into two separate heads, viz.:

1st. The existing legislative provisions for the protection of life and property from fire; and,

2ndly. The best means of ascertaining the causes, and preventing the frequency of fires.

First. *As regards the first head of the inquiry, viz., the existing legislative provisions for the protection of life and property from fire,* the following general Acts contain provisions relating to the subject:

(1) The Towns Improvement Clauses Act, 1847, 10 & 11 Vict. c. 34, which contains provisions regulating the erection of buildings with the view of preventing fires, by means of party walls carried through and above the roofs, and the constructing of all walls and roofs of incombustible materials; and also for the supplying and maintaining of fire plugs.

(2) The Waterworks Clauses Act, 1847, 10 Vict. c. 18, which contemplates the provision of a constant supply of water for domestic purposes, and for the purpose of extinguishing fires, at such a pressure as to make the water reach the top story of the highest house within the town; and for the fixing of fire plugs in the mains.

(3) The Local Government Act, 1858, superseding the Lighting and Watching Act of 1833, and incorporating some of the provisions of the Towns Improvements Clauses Act, 1847.

(4) The General Police and Improvements (Scotland) Act, 1862, 25 & 26 Vict. c. 101, which contains provisions regulating the erection of buildings, with the view of preventing the spreading of fires, and for the purchasing and keeping up of fire engines, hose, buckets, &c.

(5) The Gunpowder Act of 1860, 23 & 24 Vict. c. 139.

(6) An Act for the safe keeping of Petroleum, 1862, 25 & 26 Vict. c. 66.

(7) An Act for the Amendment of the Law with respect to the Carriage and Deposit of Dangerous Goods, 1866, 29 & 30 Vict. c. 69.

In addition to these there are certain Local Acts, passed mainly with the view of making provisions for the preventing and extinguishing of fires, of which we may mention the Metropolitan Building Act, the Liverpool Local Acts, and several Police Acts, such as those of Manchester, Glasgow, &c. Your Committee

are desirous of expressing their opinion of the great attention which has been devoted to this subject by the authorities of Liverpool, who, since the year 1843, have obtained several Acts giving the authorities a control in the erection of buildings, and providing for the introduction of water, and for the organising and supporting a fire brigade and fire engines, with the view of preventing the occurrence and the spreading of fires in the town; and these exertions have been crowned by success, as evidenced by a reduction in the rates of fire insurance.

Various improvements in the Metropolitan Building Act were suggested to your Committee, and are contained in the evidence by witnesses practically acquainted with the subject, which the Committee think will be of use to the Metropolitan Board of Works in the framing of a new Bill, in which the Committee understand they are now engaged.

The Metropolitan Fire Brigade Act was passed in 1865, and gave effect to some of the suggestions made by the Select Committee of 1862, by placing the control of the fire brigade and fire engines, &c. in the hands of the Metropolitan Board of Works, and providing for the support of the same partly from rates, partly from the Consolidated Fund, and thirdly from a rateable contribution from the fire offices, instead of having that support wholly dependent upon the voluntary subscriptions of insurance companies, which was the case up to 1865.

In 1862, when the Select Committee on Fires in the Metropolis sat, there were belonging to the fire brigade establishment 19 fire-engine stations, 37 engines in hand, and three ordered, and 127 men. There was little difference in these numbers till the 31st December 1865, when they were handed over to the Metropolitan Board of Works. Since then, in about 18 months, the increase has been very marked, there being now 43 stations or an increase of 24, 84 engines or an increase of 46, and 232 men or an increase of 103 men. Great improvements have also been effected in the telegraph system in connection with the stations. And an extension is being steadily and rapidly carried out in every branch of the fire engine establishments, under the superintendence of Captain Shaw, and according to the plan laid down by him in 1862.

Since the Committee commenced their inquiry, the Metropolitan Board of Works has also taken over all the property of the Royal Society for the Protection of Life against Fire, which up to this time has been under the management of Mr. Sampson Lowe, jun. Though supported hitherto entirely by voluntary subscriptions there has been a considerable increase in the number of the stations from 75 in 1862 to 85 at the present time, and in the number of men from 85 in 1862 to 100 at present.

Some valuable evidence was also given on the existing arrangements for the supply of water for extinguishing fires in the metropolis; but as a Commission is at present sitting to inquire into the whole subject of the supply of water in the metropolis, your Committee did not go so fully into the subject as they would otherwise have done; but they have to express a hope that the Commission will attach due importance to that part of the subject of their inquiry, bearing upon the extinguishing of fires, and that they will insist upon facilities being given for obtaining readily a full supply of water at a high pressure on the occurrence of a fire.

With the view of obtaining some information regarding the provisions made, and the means taken for the protection of life and property from fire in the United Kingdom, the Committee issued the following questions to about 120 of the principal towns. No town in England, with a population of less than 20,000 inhabitants, with one or two exceptions, received a copy of the questions, but the same rule as to population was not observed in Scotland and Ireland.

QUESTIONS.

1st. Are there any means adopted in your town for the protection of life from fire in the construction of buildings or in the possession of fire escapes?

2nd. Is the water supplied by a private company or by the local authority?

3rd. What

3rd. What are the regulations regarding the supplying of water in the case of a fire?

4th. What are the number and kinds of fire engines and other appliances for the extinguishing of fires?

5th. Is there a fire brigade; if so, how is it supported?

6th. Is there any Local Act, or are there any municipal regulations applicable to the erection of buildings and the storage and classification of goods with the view of preventing the spreading of fires?

7th. In the event of a suspicious fire occurring, what measures are taken for investigating into the circumstances?

Answers were received from 86 towns, as follows:—

1st. No means are adopted in any of the towns for the protection of life from fire in the construction of buildings, with the exception of one or two instances, where ladders are built in the outside of the walls of some manufactories; 51 towns have fire escapes and 35 have none.

2nd The water is supplied by private companies in 38 towns, and by the local authorities in 42; and there is no supply of water except by pumps and wells in six towns.

3rd. There are no particular regulations regarding the supplying of water, but the private companies and local authorities are understood to be bound to give a full supply of water free of charge, and fire-plugs are placed in all the mains. In the large towns turncocks are appointed, to whom notice is sent when a fire occurs; and the firemen and police, when acting as firemen, are supplied with keys to the fire plugs.

4th. Seventy-eight of the towns are furnished with fire engines, very few of them being steam engines, and eight have no fire engines, but some of them are supplied with water at high pressure, and are furnished with hose, which are attached to the fire-plugs when a fire occurs. In some towns the engines belong to the insurance companies; in others, they belong partly to the insurance companies, and partly to the local authorities.

5th. In 78 towns there are fire brigades either supported by the local authorities or by insurance companies, or they are volunteer brigades; in some towns they are both volunteer and paid. Some of the brigades are paid in part by the owner of the property at the burning of which they were called on to act. Where there are no brigades the police are expected to act as firemen.

6th. In 60 towns there are no regulations as to the erection of buildings for the prevention of fire; one or two of the principal towns have Local Acts, and the remainder have adopted the building clauses in one or other of the general Acts enumerated above.

7th. The answers returned to this question in England and Ireland are rather vague; as in many towns no suspicious fires occurred and no opportunity was therefore afforded for resorting to any particular measures. But they indicate that if such occurred the police would be expected to investigate, or the insurance companies would be expected to institute an inquiry before settling the claim. In Scotland the investigation is always made by the Procurator Fiscal.

Upon the whole, the above answers are satisfactory, with the exception of those to the 1st, 6th, and 7th questions; but in arriving at this conclusion the Committee have taken into account the means afforded in many towns for extinguishing fires by insurance companies, by supplying and maintaining fire engines and fire brigades, and have assumed that the engines, hose, and other appliances are kept in good repair and in an efficient state. But they consider it would be much more satisfactory, particularly in towns with a population of 20,000 inhabitants and upwards, were the whole of the means of extinguishing fires supplied by and placed under the control of the local authorities.

In forming an estimate of the provisions for the protection of life and property from fire in the United Kingdom, from these answers, we should bear in mind that they refer in England to no town having a population less than 20,000, with one or two exceptions, and the probability is that the returns from

See Evidence, Answer 1391. the smaller towns would not be so satisfactory. But it has been stated that of late years the public have become more alive to the importance of this subject, and a number of fire brigades have been established.

Secondly. *As regards the second head of the inquiry, viz., the best means of ascertaining the causes and preventing the frequency of fires.*

Most of the witnesses who gave evidence on this branch of the subject concur in the belief that there has been a great increase in the number of fires of late years; that there has been a large proportional increase in the fires whose causes were unknown as compared with the gross number of fires, and that this increase, both in the gross number of fires, and in the number of fires from unknown causes, was due very much to incendiarism. One witness, Mr. Sidney James Fletcher, of 52 years' experience in fire insurance business, stated that 1326. 1558. "his impression, after giving a great deal of attention to the subject, is, that nearly one-third of the fires which occur are intentional."

Appendix 1*a* & 7. Evidence was also given stating that the rate of increase in the number of fires in the metropolis since 1845 was much greater than the rate of increase in the number of houses, or the rate of increase in the population. It was also stated, that of 589 fires occurring in the metropolis during the year 1866, 1761. whose causes could not be satisfactorily accounted for, 480, or about five sixths of the 589, happened on insured property.

544. 1368. 3425. It has further been given in evidence and admitted even by gentlemen connected with insurance companies, that the increase in the number of fires of late years is in some measure to be attributed to the great competition among insurance companies for business; to their carelessness in taking risks, as well as in the appointment of agents; to the too ready facility with which they settle claims, some of which they believe to be fraudulent; and to a disinclination in general in the companies to prosecute. The reasons given for this disinclination to prosecute on the part of the insurance companies are, the great difficulty of obtaining evidence, the unwillingness of people to come forward to give evidence, the want of proper means for compelling them to do so, the prejudice existing in the public mind and in the minds of juries against public companies prosecuting private individuals, the unpopularity to which a prosecu-1367. 1373. 4814. tion exposes them, and the uncertainty of the result.

2958. 3091. 3094, 3095. The instances of fires brought prominently before your Committee arose either from the faulty construction of buildings, the careless use of candles, gas, &c., the incautious use of lucifer matches, the explosion of mineral oils, the improper storage of goods in warehouses, and wilful fire raising.

When fires take place from a faulty construction of buildings, it is generally in those buildings which have been subjected to alterations and flues have been made, sun lights placed, stoves erected, and timber laid in ignorance of, or at all events without any reference to the original construction of the building. Thus flues are often made close to some wood hidden in the wall, or the smoke of a new fire-place or stove is led into an old flue. The flues from sun lights have also been carried through floors with great danger and damage to the joists, and ultimately to the whole building; and timber is often placed in close proximity to fire-places, stoves and flues; even in new houses the same faults are committed in the misplacing of timber, and flues, and fire-places.

The explosions from mineral oils arise from a light being brought in contact with the vapour given off by them; and of course the lower the igniting point of the oil, *i. e.* the lower the temperature at which it gives off vapour, the greater the risk of explosion.

By the present Petroleum Act, 1862, 25 & 26 Vict. c. 66, the igniting point is fixed at 100° of Fahrenheit's thermometer, that is to say, the provisions of the Act apply to petroleum giving off an inflammable vapour at a temperature of less than 100° of Fahrenheit's thermometer; and it is enacted that not more than 40 gallons of petroleum shall be kept within 50 yards of a dwelling-house, or 3201. of a building in which goods are stored, without a license. It has been given in evidence

evidence that this Act is quite inoperative, and that a great deal of the petroleum sold has an igniting point below 100°, and some has been purchased with an igniting point as low as 68°. Lives have been lost by the explosion of oils with such low igniting points. It has also been given in evidence that after a mineral oil lamp has been burning for 20 minutes the temperature of the brass about the lamp ranges from 100° to 110°. And documents were laid before your Committee, which had been published in America, calling the attention of the public there to the great danger of using for domestic purposes any oil of an igniting point of less than 110°, and showing that Congress had recently passed a law imposing heavy penalties on any one who sold or offered for sale oil made from petroleum for illuminating purposes, inflammable at less temperature or fire test than 110° Fahrenheit; but your Committee have it in evidence that the oil which ignites at 110° in America, will, when tested by the different mode of testing in this country, be perhaps 95°. 3145. 5623. 5626.

Your Committee have had a great deal of evidence as to investigation into the causes of fires in this and other countries. In this country it was generally thought up to 1860, that the coroner had the power of investigating into the origin or causes of fires, and several coroners did exercise that power. In that year, however, the Court of Queen's Bench decided that the coroners had no such power, and the practice of holding such investigations was discontinued. 3931.

In Lanarkshire, about 30 years ago, fires were also investigated into by the Procurator Fiscal by order of the Sheriff, with the effect of putting a stop to their frequency. An attempt was made to extend the practice to other parts of the kingdom, but the Lord Advocate of the day having refused to give his sanction to sheriffs directing such investigations, they were not only not extended, but discontinued where they had been commenced. Last year Lord Advocate Patton issued a letter to the Procurator Fiscals of the counties, directing that an investigation should be made into the origin of all fires. Sufficient time has not elapsed to ascertain the effect of this order, but it is said to be a serious objection to these investigations that they are made in secret. 560–1. 1637. 1638.

According to the evidence, it is the general practice on the Continent, in Australia, and in America, to inquire into the origin of all fires, and the effect of such investigations is to reduce their number. In most instances settlement of the claims on insurance companies is deferred till the termination of the inquiry. (*See* the evidence of Messrs. Jansen, Ivey, Huhn, Append. 7, and Questions 2502 *et seq.* and 3361 *et seq.*)

Recommendations.

To prevent the frequency of fires from the faulty construction of buildings, your Committee would recommend a general Building Act for all towns and places in the United Kingdom, governed by municipal corporations, improvement commissioners, or local boards of health, similar in its general provisions, and in the powers it confers on such local authorities, to the Metropolitan Building Act, and to the Building Acts of Liverpool. In passing such an Act, your Committee would recommend that the many valuable suggestions made by the professional witnesses should be taken advantage of with regard to the thickness and height of party walls, the placing of fireplaces, stoves, and flues, the keeping of timber at a sufficient distance from flues and fireplaces, the limiting the size and isolating of warehouses, the use of proper materials in the erection of buildings, and specially to the suggestions made in the evidence of Mr. Freeman. 4855.

It has been stated in evidence, that fires very frequently occur in shops situated on the ground floor of buildings having people living in the dwelling houses above the shops. Your Committee think it desirable that in all cases where there are such buildings composed of shops below and dwelling-houses above, the floor immediately above the shop should be made fire-proof, as the floors are in Paris, and described in the evidence. In many large retail and wholesale establishments, the business rooms are in the lower, and the assistants are lodged in the upper floors. In all such cases your Committee would recommend that the floors should be made fire-proof, and that there should be a ready means of escape by the roof in case of fire. Your Committee would

would also recommend that the floors of all large lodging-houses for the poor be made fire-proof, that there should be ample means of escape for the lodgers in case of fire. Your Committee would call attention to the evidence borne by architects, builders, and district surveyors, that when a fire takes place in a warehouse, iron is of little use in stopping its progress; that generally speaking they prefer wood well plastered for fire-proof purposes to iron, and some of them gave a preference to wooden stairs instead of stone, as the latter crumble with the heat.

6365.

6373–75.

It has been brought out in evidence, that without any inquiry, clauses are frequently inserted in Bills for the supply of water by companies or local authorities, providing that the water need not be constantly laid on, thereby frustating the evident intention of the provision of "The Waterworks Clauses Act, 1847," which contemplates, unless in exceptional cases, a constant supply of water at high pressure. Certain of the fire insurance companies have from time to time opposed Bills containing such clauses, but it has recently been decided that those companies have no *locus standi* against Water Bills, and as each private person would prefer protecting his own individual interests by insurance, there is no one to oppose on the general ground of diminishing the destruction of life and property by fire. Bills containing the clauses in question have consequently been allowed to pass, without any inquiry as to whether or not there were any physical or other reason why a constant supply should not be afforded.

At present, the referees are empowered in the case of opposed Water Bills to inquire into, among other things, the nature and amount of supply, and the pressure and proposed mode of service, but they have no power to make any inquiry whatever in the case of any Bill which is not opposed. The result is, that Water Bills containing the provision in question, if unopposed (and, as above shown, opposition is rarely made), are allowed to pass without investigation.

To remedy this defect, your Committee would recommend that it should be made a Standing Order of the House, that every unopposed Water Bill, providing for or regulating the supply of water, and which provides that such supply need not be constant or at high pressure, shall, immediately after the second reading thereof, be referred to the referees to inquire and report whether sufficient reasons exist for such provisions.

Your Committee would recommend that where in an investigation into the origin of a fire, it has been proved to have been caused by the culpable carelessness of some person or persons, such person or persons shall be deemed guilty of a punishable offence.

Your Committee would recommend that no oil produced by distillation from coal, shale, peat, petroleum, rock oil, Rangoon or Burmah oil, or other bituminous substance, and used for illuminating purposes, should be sold for such purposes with an igniting point under 110° Fahrenheit. As there are various ways of testing the igniting point of mineral oils, by which very different results are arrived at, your Committee deem it advisable to describe here the mode of testing the oil, so as to ascertain the igniting point indicated in their recommendation. The test instruments consist of two vessels or cups one within the other; the oil is put into the inner vessel and water into the outer one; a light is applied to the outer vessel, by which means the water is heated, and the heat thus conveyed to the oil in the inner vessel placed in the water. A Fahrenheit's thermometer placed in the oil indicates the temperature, and a light is applied from time to time to the surface of the oil, and the temperature denoted by the thermometer when the first flash takes place from the explosion of the vapour rising from the heated oil will be considered the igniting point of the oil. They would recommend that any one found selling or offering for sale petroleum, paraffin, or other mineral oil for illuminating purposes, possessing an igniting point below the legal standard, shall not only forfeit such oil in his possession, but shall be liable to be fined.

Your Committee are apprehensive, lest, owing to the stringent measures adopted in America regarding the selling of petroleum, much of that oil with a low igniting point will be imported into this country, and they would therefore recommend that all mineral oils imported should be tested as regards the igniting

igniting point, and marked before being stored. They also consider it desirable that more stringent regulations should be made regarding the storing in warehouses and keeping in shops, of turpentine, camphine, and similar spirits.

Your Committee would direct attention to the descriptions of warehouses for the storing of mineral oils, given in the evidence of Messrs. Laird and Odam as well adapted for the purpose. 5586, *et seq.* 5313, *et seq.*

Great conflagrations, attended with immense destruction of property and serious loss of life, have occurred from the improper and indiscriminate storing of goods in warehouses. So serious are the results when a fire takes place among goods thus stored, particularly if some of themare imflammable or explosive, that warehouses constructed on the best principles of fire-proofing have been found to be of little use in arresting the progress of a fire. The losses which insurance companies sustain from this cause, induce them to make certain regulations regarding the classification of goods in storing. 1380. 1562. 4855.

Improvements have taken place in the storing of goods, particularly in London and Liverpool; in London these improvements have been due mainly to the insurance companies, as there are no Local Acts or municipal regulations there on the subject: in Liverpool, on the other hand, this subject has been considered so important that several Local Acts have been obtained, and municipal regulations laid down for the better storing of goods in the warehouses within the boundaries of the borough, but in the answer returned to the 6th question above stated, it would appear that in very few other towns is the subject attended to. Your Committee would recommend that in the event of any legislation on this subject the classification and storing of goods should be duly considered.

Though your Committee hope that the recommendation made above, if carried into execution, would be productive of much good, they still are of opinion that the large number of fires whose causes are unknown or suspicious would not be much affected by such recommendations. Some means must be devised for discovering such causes, and for preventing the frequency of wilful or intentional fires. On referring to the evidence, your Committee find that wilful fire-raising is traced to several sources: 1st, to individuals and organised gangs of men who make a trade of it to defraud the insurance companies; 2nd, to parties who have been unfortunate in business, and who cannot meet the claims made on them; 3rd, to persons in warehouses, to conceal theft of goods made by them on the warehouses; 4th, to malice. 552. 1879. 621.

There is no doubt that the causes of a considerable number of fires will never be discovered, as a fire frequently destroys any traces of evidence that might lead to the discovery of its cause; but almost all the witnesses who have devoted any attention to this subject concur in the opinion that an inquiry made into all fires would have the effect not only of discovering the causes of many fires at present unknown, but of reducing the gross number of fires. Though in London and Liverpool some inquiry is made by the police or fire brigade, for their own satisfaction, into the origin of the fires, it is not of that searching character to elicit the whole truth; nor is it possible that it can be of this character, for those conducting the inquiry are not invested with sufficient powers for so doing. Mr. Clint, Chairman of the Watch Committee in Liverpool, stated in evidence that the police in Liverpool always inquired into the origin of fires, but that they often failed in discovering the cause, and that too when they have had strong suspicions that the fire was wilful, "because they cannot examine anyone on oath." The inquiry, therefore, should be made by some duly qualified officer having the power to examine witnesses on oath.

Your Committee, in recommending that an inquiry should take place into every fire, would direct attention to three stages, into which, in so far as respects England, the inquiry should be divided: 1st, the initiatory stage, to be made by the police or fire brigade, who must be instructed and charged to do it, and if anything the least suspicious is observed about the fire, it will be their duty to report it to an officer authorised to make inquiry; 2nd, this officer shall conduct the second stage of the inquiry by examining witnesses on oath, and, if he think proper, empannelling a jury, so as to discover whether the fire is suspicious or not, and if suspicious, on whom the suspicion can be fixed; if the evidence

is not strong enough to implicate anyone in particular, the inquiry will terminate, but if there are strong grounds for suspecting anyone he will be prosecuted before the ordinary Criminal Courts, to be dealt with in the same way as any person accused of crime; this will constitute the 3rd stage of the inquiry. The question to consider, then, is who shall be the officer to whom the police shall report the case for the second stage of the inquiry. Several suggestions have been made to your Committee by the witnesses; some suggest the coroner, others the police magistrate, and a third party the appointment of an officer similar to the fire marshals in America.

Your Committee, after giving due consideration to this subject, would prefer the police magistrate or coroner to the fire marshal, mainly because in the courts of these two officers they have a ready-made machinery, and they, such being the case, are averse to the recommendation of the creation of any new offices; and they would recommend the coroner to carry out the second stage of the inquiry in preference to the police magistrate, because the coroner's court is a moveable one, and he can constitute his court and conduct the inquiry in the immediate vicinity of the fire, and because till of late he was generally considered to have the power of inquiry into fires, and such power was exercised by some coroners.

Your Committee would recommend that he should be paid for conducting the inquiry partly by fees and partly by salary out of the rates. They do not think that the insurance companies should be called upon to pay any part of the expense, as it is not the duty of any private commercial company to prosecute for a public crime, and besides, the fire may take place on property not insured.

Your Committee are of opinion that in Ireland the inquiry might be conducted before the stipendiary magistrate of the district in which the fire occurs.

They would farther recommend that, as regards Scotland, the police should be directed to report every fire to the Procurator Fiscal, who would then make the preliminary inquiry, and report thereon according to the existing system in the cases of suspected crime, and of such fires as, from suspicious circumstances, are at present inquired into. If the circumstances are considered by the Crown Counsel to be at all suspicious, an inquiry should then be directed to be made by the sheriff in open court. The result of this inquiry should be again reported to the Crown Counsel, who would determine whether criminal proceedings should follow. Any additional expense occasioned by this inquiry may be defrayed by the Treasury, as is done in the ordinary criminal expenses of the country, or it may be defrayed from the county or burgh rates.

And they would specially recommend that no claim should be settled by any insurance company without a certificate from the police, or fire brigade, or officer appointed to conduct the investigation into the origin of the fire; but this certificate should not debar the insurance offices from opposing the claim if they think proper.

PROCEEDINGS OF THE COMMITTEE.

Friday, 29th March 1867.

MEMBERS PRESENT:

Mr. Beach.	Mr. Lusk.
Mr. Miller.	Mr. Leeman.
Mr. Turner.	Mr. Kinnaird.
Mr. Read.	Mr. Lanyon.
Mr. M'Lagan.	Lord Richard Grosvenor.
Mr. Agar-Ellis.	

Mr. *M'Lagan* called to the Chair.

The Committee deliberated.

[Adjourned till Thursday next, at Twelve o'clock.

Thursday, 4th April 1867.

MEMBERS PRESENT:

Mr. M'LAGAN in the Chair.

Mr. Agar-Ellis.	Mr. Turner.
Mr. Horsfall.	Mr. Miller.
Mr. Read.	Mr. Lusk.
Mr. Beach.	Mr. Leeman.
Mr. Whitmore.	Lord Richard Grosvenor.
Mr. Kinnaird.	Mr. Gorst.

Mr. *Trelawney Young*, Mr. *George Adam Young*, and Mr. *M. Jensen*, were severally examined.

[Adjourned till Monday next, at One o'clock.

Monday, 8th April 1867.

MEMBERS PRESENT:

Mr. M'LAGAN in the Chair.

Mr. Agar-Ellis.	Mr. Miller.
Mr. Read.	Mr. Gorst.
Mr. Lanyon.	Mr. Turner.
Mr. Kinnaird.	Lord Richard Grosvenor.
Mr. Lusk.	

Mr. *H. G. Smith* and Mr. *C. Fowler* were severally examined.

[Adjourned till Thursday next, at Twelve o'clock.

Thursday, 11*th April* 1867.

MEMBERS PRESENT:

Mr. M'Lagan in the Chair.

Mr. Beach.	Mr. Turner.
Mr. Kinnaird.	Mr. Read.
Mr. Lusk.	Mr. Agar-Ellis.
Lord Richard Grosvenor.	Mr. Lanyon.
Mr. Whitmore.	Mr. Miller.

Mr. *C. J. Bunyan* and Mr. *George P. Ivey* were severally examined.

[Adjourned till Thursday 2nd May, at Twelve o'clock.

Thursday, 2*nd May* 1867.

MEMBERS PRESENT:

Mr. M'Lagan in the Chair.

Mr. Turner.	Mr. Lanyon.
Mr. Beach.	Mr. Gorst.
Mr. Read.	Lord Richard Grosvenor.
Mr. Lusk.	Mr. Kinnaird.
Mr. Agar-Ellis.	Mr. Tite.

Mr. *Sidney J. Fletcher* and Mr. *David Smith* were severally examined.

[Adjourned till Monday next, at One o'clock.

Monday, 6*th May* 1867.

MEMBERS PRESENT:

Mr. M'Lagan in the Chair.

Mr. Lusk.	Mr. Tite.
Mr. Beach.	Mr Turner.
Mr. Kinnaird.	Mr. Horsfall.
Mr. Agar-Ellis.	Mr. Lanyon.
Lord Richard Grosvenor.	Mr. Read.

Mr. *William Swanton* and Mr. *Lewis Becker* were severally examined.

[Adjourned till Thursday next, at Twelve o'clock.

Thursday, 9*th May* 1867.

MEMBERS PRESENT:

Mr. M'Lagan in the Chair.

Mr. Kinnaird.	Lord Richard Grosvenor.
Mr. Turner.	Mr. Whitmore.
Mr. Read.	Mr. Miller.
Mr. Horsfall.	Mr. Agar-Ellis.
Mr. Gorst.	Mr. Lanyon.
Mr. Tite.	Mr. Beach.
Mr. Lusk.	Mr. Henry Sheridan.
Mr. Laird.	

Mr. *Lewis Becker* further examined.

Mr. *Sampson Lowe*, junr., and Mr. *Percy Mathew Dove* were severally examined.

[Adjourned till Monday next, at One o'clock.

Monday, 13*th May* 1867.

MEMBERS PRESENT:

Mr. M'Lagan in the Chair.

Mr. Read.	Mr. Laird.
Mr. Gorst.	Mr. Agar-Ellis.
Mr. Turner.	Mr. Lanyon.
Mr. Tite.	Mr. Kinnaird.
Mr. Lusk.	Mr. Beach.

Mr. *Joseph Jennings* and Mr. *Charles White* were severally examined.

[Adjourned till Wednesday next, at Two o'clock.

Wednesday, 15*th May* 1867.

MEMBERS PRESENT:

Mr. M'Lagan in the Chair.

Mr. Read.	Mr. Horsfall.
Mr. Whitmore.	Mr. Kinnaird.
Mr. Gorst.	Mr. Lanyon.
Mr. Miller.	Mr. Henry Sheridan.
Mr. Agar-Ellis.	Mr. Lusk.

The Committee deliberated.

[Adjourned till To-morrow, at Twelve o'clock.

Thursday, 16*th May* 1867.

MEMBERS PRESENT:

Mr. M'Lagan in the Chair.

Mr. Tite.	Mr. Lanyon.
Mr. Horsfall.	Mr. Agar-Ellis.
Mr. Turner.	Mr. Miller.
Mr. Laird.	Mr. Beach.
Mr. Gorst.	Mr. Kinnaird.
Mr. Whitmore.	Mr. Lusk.

Mr. *W. H. Whiffin*, Professor *Lyon Playfair*, and Professor *John Attfield*, were severally examined.

[Adjourned till Thursday next, at Twelve o'clock.

Thursday, 23*rd May* 1867.

MEMBERS PRESENT:

Mr. M'Lagan in the Chair.

Mr. Turner.	Lord Richard Grosvenor.
Mr. Tite.	Mr. Lusk.
Mr. Horsfall.	Mr. Lanyon.
Mr. Kinnaird.	Mr. Read.

Mr. *Swinton Boult*, Mr. *John A. Tinne*, and Mr. *F. A. Clint*, were severally examined.

[Adjourned till Monday next, at One o'clock.

Monday, 27th May 1867.

MEMBERS PRESENT:

Mr. M'LAGAN in the Chair.

Mr. Miller.	Mr. Kinnaird.
Mr. Whitmore.	Mr. Lanyon.
Mr. Laird.	Mr. Turner.
Mr. Read.	Lord Richard Grosvenor.
Mr. Lusk.	

Sir *Thomas Henry*, Mr. *John Humphreys*, and Mr. Serjeant *Payne*, were severally examined.

[Adjourned till Thursday next, at Two o'clock.

Thursday, 30th May 1867.

MEMBERS PRESENT:

Mr. M'LAGAN in the Chair.

Mr. Read.	Mr. Gorst.
Mr. Tite.	Lord Richard Grosvenor.
Mr. Turner.	Mr. Horsfall.
Mr. Beach.	Mr. Lanyon.
Mr. Laird.	Mr. Kinnaird.
Mr. Lusk.	

Mr. *William Charles Miles* and Captain *Shaw* were severally examined.

[Adjourned till Monday next, at One o'clock.

Monday, 3rd June 1867.

MEMBERS PRESENT:

Mr. M'LAGAN in the Chair.

Mr. Lanyon.	Mr. Lusk.
Mr. Turner.	Mr. Laird.
Mr. Agar-Ellis.	Mr. Kinnaird.
Mr. Read.	Mr. Gorst.
Lord Richard Grosvenor.	Mr. Whitmore.

Mr. *Samuel Vance*, Mr. *Luke Doyle*, and Mr. *John Fogerty*, were severally examined.

[Adjourned till Monday, 17th June, at One o'clock.

Monday, 17th June 1867.

MEMBERS PRESENT:

Mr. M'LAGAN in the Chair.

Mr. Turner.	Mr. Beach.
Mr. Laird.	Lord Richard Grosvenor.
Mr. Horsfall.	Mr. Kinnaird.
Mr. Gorst.	Mr. Read.
Mr. Agar-Ellis.	Mr. Henry Sheridan.
Mr. Lusk.	

Mr. *E. Newman Knocker*, Mr. *Freeman*, and *Alfred Baddeley*, were severally examined.

[Adjourned till Thursday next, at Twelve o'clock.

Thursday, 20*th June* 1867.

MEMBERS PRESENT:

Mr. M'Lagan in the Chair.

Mr. Beach.	Mr. Laird.
Mr. Turner.	Mr. Horsfall.
Mr. Kinnaird.	Lord Richard Grosvenor.
Mr. Miller.	Mr. Read.
Mr. Lusk.	Mr. Henry Sheridan.

Captain *Shaw* further examined.

[Adjourned till Monday next, at One o'clock.

Monday, 24*th June* 1867.

MEMBERS PRESENT:

Mr. M'Lagan in the Chair.

Mr. Whitmore.	Lord Richard Grosvenor.
Mr. Lanyon.	Mr. Beach.
Mr. Turner.	Mr. Gorst.
Mr. Kinnaird.	Mr. Lusk.

Mr. *Odams*, Mr. *William Hancocks*, and Mr. *Henry Daniel*, were severally examined.

[Adjourned till Thursday next, at Twelve o'clock.

Thursday, 27*th June* 1867.

MEMBERS PRESENT:

Mr. M'Lagan in the Chair.

Mr. Laird.	Lord Richard Grosvenor.
Mr. Turner.	Mr. Agar-Ellis.
Mr. Horsfall.	Mr. Lanyon.
Mr. Kinnaird.	Mr. Lusk.
Mr. Whitmore.	

Mr. *Macgregor Laird*, Mr. *Frederick Lambe*, Mr. *Charles Humphery*, Mr. *William Bryce*, Mr. *Thomas Hilton*, and Mr. *Lewis Hope*, were severally examined.

[Adjourned till Thursday next, at Twelve o'clock.

Thursday, 4*th July* 1867.

MEMBERS PRESENT:

Mr. M'Lagan in the Chair.

Mr. Agar-Ellis.	Lord Richard Grosvenor.
Mr. Lanyon.	Mr. Beach.
Mr. Kinnaird.	Mr. Turner.
Mr. Whitmore.	Mr. Lusk.

Captain *Shaw* further examined.

The Committee deliberated.

Captain *Shaw* further examined.

Mr. *Robert Hesketh* and Mr. *Frederick W. Hühn* were severally examined.

[Adjourned till Thursday, 18th July, at Twelve o'clock.

Thursday, 18*th July* 1867.

MEMBERS PRESENT:

Mr. M'Lagan in the Chair.

Mr. Tite.	Mr. Read.
Mr. Turner.	Mr. Gorst.
Mr. Laird.	Mr. Whitmore.

Draft Report, proposed by the Chairman, read the first time, as follows:

"1. Your Committee adopted three modes of obtaining information to assist them in coming to a conclusion on the subjects of their inquiry: first, By examining witnesses from different parts of the United Kingdom; secondly, By the evidence taken by the Select Committee of 1862, on Fires in the Metropolis, and the Report of that Committee; and, thirdly, By obtaining answers to certain questions bearing on the subject from the municipal authorities of some of the principal towns in the kingdom.

"2. The inquiry entrusted to your Committee resolved itself into two separate head, viz.:

"1st. The existing legislative provisions for the protection of life and property from fire; and,

"2ndly. The best means of ascertaining the causes, and preventing the frequency of fires.

"3. First. As regards the first head of the inquiry, viz., the existing legislative provisions for the protection of life and property from fire, the following general Acts contain provisions relating to the subject:

"(1) The Towns Improvement Clauses Act, 1847, 10 & 11 Vict. c. 34, which contains provisions regulating the erection of buildings with the view of preventing fires, by means of party walls carried through and above the roofs, and the constructing of all walls and roofs of incombustible materials; and also for the supplying and maintaining of fire plugs.

"(2) The Waterworks Clauses Act, 1847, 10 Vict. c. 18, which contemplates the provision of a constant supply of water for domestic purposes, and for the purpose of extinguishing fires, at such a pressure as to make the water reach the top story of the highest house within the town; and for the fixing of fire plugs in the mains.

"(3) The Local Government Act, 1858, superseding the Lighting and Watching Act of 1833, and incorporating some of the provisions of the Towns Improvements Clauses Act, 1847.

"(4) The General Police and Improvements (Scotland) Act, 1862, 25 & 26 Vict. c. 101, which contains provisions regulating the erection of buildings, with the view of preventing the spreading of fires, and for the purchasing and keeping up of fire engines, hose, buckets, &c.

"(5) The Gunpowder Act of 1860, 23 & 24 Vict. c. 139.

"(6) An Act for the safe keeping of Petroleum, 1862, 25 & 26 Vict. c. 66.

"(7) An Act for the Amendment of the Law with respect to the carriage and Deposit of Dangerous Goods, 1866, 29 & 30 Vict. c. 69.

"4. In addition to these there are certain Local Acts, passed mainly with the view of making provisions for the preventing and extinguishing of fires, of which we may mention the Metropolitan Building Act, the Liverpool Local Acts, and several Police Acts, such as those of Manchester, Glasgow, &c. Your Committee are desirous of expressing their opinion of the great attention which has been devoted to this subject by the authorities of Liverpool, who, since the year 1843, have obtained several Acts giving the authorities a control in the erection of buildings, for the introduction of water, and for the organising and supporting a fire brigade and fire engines, with the view of preventing the occurrence and the spreading of fires in the town; and these exertions have been crowned by success, as evidenced by a reduction in the rates of fire insurance.

"5. Various improvements in the Metropolitan Building Act were suggested to your Committee, and are contained in the evidence by witnesses practically acquainted with the subject, which the Committee think will be of use to the Metropolitan Board of Works in the framing of a new Bill, in which the Committee understand they are now engaged.

"6. The Metropolitan Fire Brigade Act was passed in 1865, and gave effect to some of the suggestions made by the Select Committee of 1862, by placing the control of the fire brigade and fire-engines, &c., in the hands of the Metropolitan Board of Works, and providing for the principal support of the same from rates, instead of having that support dependent upon the voluntary subscriptions of insurance companies, which was the case up to 1865.

"7. In

" 7. In 1862, when the Select Committee on Fires in the Metropolis sat, there were belonging to the fire brigade establishment 19 fire-engine stations, 37 engines in hand, and three ordered, and 127 men. There was little difference in these numbers till the 31st December 1865, when they were handed over to the Metropolitan Board of Works. Since then, in about 18 months, the increase has been very marked, there being now 43 stations, or an increase of 24; 84 engines, or an increase of 46: and 232 men, or an increase of 103 men. Great improvements have also been effected in the telegraph system in connection with the stations. And an extension is being steadily and rapidly carried out in every branch of the fire-engine establishments, according to the plan laid down in 1862 by Captain Shaw, and under his superintendence.

" 8. Since the Committee commenced to sit, the Metropolitan Board of Works has also taken over all the property of the Royal Society for the Protection of Life against Fire which up to this time has been under the management of Mr. Sampson Lowe, jun. Though supported entirely by voluntary subscription till now, there has been a considerable increase in the number of the stations, from 75 in 1862 to 85 now, and, in the number of men, from 85 in 1862 to 100 men now.

" 9. Some valuable evidence was also led on the existing arrangements for the supply of water for extinguishing fires in the metropolis; but as a Commission is at present sitting to inquire into the whole subject of the supply of water in the metropolis, your Committee did not go so fully into the subject as they would otherwise have done; but they have to express a hope that the Commission will attach due importance to that part of the subject of their inquiry bearing upon the extinguishing of fires, and that they will insist upon facilities being given for obtaining readily a full supply of water at a high pressure on the occurrence of a fire.

" 10. With the view of obtaining some information regarding the provisions made, and the means taken for the protection of life and property from fire in the United Kingdom, the Committee issued the following questions to about 120 of the principal towns. No town in England with a population of less than 20,000 inhabitants, with one or two exceptions, received a copy of the questions; but the same rule as to population was not observed in Scotland and Ireland.

" Questions.

" 1st. Are there any means adopted in your town for the protection of life from fire in the construction of buildings or in the possession of fire-escapes?

" 2nd. Is the water supplied by a private company or by the local authority?

" 3rd. What are the regulations regarding the supplying of water in the case of a fire?

" 4th. What are the number and kinds of fire-engines and other appliances for the extinguishing of fires?

" 5th. Is there a fire brigade; if so, how is it supported?

" 6th. Is there a Local Act, or are there any municipal regulations applicable to the erection of buildings, and the storage and classification of goods, with the view of preventing the spreading of fires?

" 7th. In the event of a suspicious fire occurring, what measures are taken for investigating into the circumstances?

" 11. Answers were received from 86 towns, as follows:—

" 1st. No means are adopted in any of the towns for the protection of life from fire in the construction of buildings, with the exception of one or two instances, where ladders are built in the outside of the walls of some manufactories; 51 towns have fire-escapes, and 35 have none.

" 2nd. The water is supplied by private companies in 38 towns, and by the local authorities in 42; and there is no supply of water except by pumps and wells in six towns.

" 3rd. There are no particular regulations regarding the supplying of water, but the private companies and local authorities are understood to be bound to give a full supply of water free of charge, and fire-plugs are placed in all the mains. In the large towns turncocks are appointed, to whom notice is sent when a fire occurs; and the firemen and police, when acting as firemen, are supplied with keys to the fire-plugs.

" 4th. Seventy-eight of the towns are furnished with fire-engines, very few of them being steam engines, and eight have no fire-engines, but some of them are supplied with water at high pressure, and are furnished with hose, which are attached to the fire-plugs when a fire occurs. In some towns the engines belong to the insurance companies; in others, they belong partly to the insurance companies, and partly to the local authorities.

" 5th. In 78 towns their are fire brigades, either supported by the local authorities or by insurance companies, or they are volunteer brigades; in some towns they are both volunteer and paid. Some of the brigades are paid in part by the owner of the property at the burning of which they were called on to act. Where there are no brigades the police are expected to act as firemen.

"6th. In 60 towns there are no regulations as to the erection of buildings for the prevention of fire; one or two of the principal towns have Local Acts, and the remainder have adopted the building clauses in one or other of the general Acts enumerated above.

"7th. The answers returned to these questions in England and Ireland are rather vague; as in many towns no suspicious fires occurred, and no opportunity was therefore afforded for resorting to any particular measures; but they indicate that if such occurred, the police would be expected to investigate, or the insurance companies would be expected to institute an inquiry before settling the claim. In Scotland the investigation is always made by the Procurator Fiscal.

"12. Upon the whole the above answers are satisfactory, with the exception of those to the 1st, 6th, and 7th questions; but in arriving at this conclusion, the Committee have taken into account the means afforded in many towns for extinguishing fires by insurance companies, by supplying and maintaining fire-engines and fire brigades, and have also assumed that the engines, hose, and other appliances are also kept in good repair, and in an efficient state; but they consider it would be much more satisfactory, particularly in towns with a population of 20,000 inhabitants and upwards, were the whole of the means of extinguishing fires supplied by and placed under the control of the local authorities.

"13. In forming an estimate of the provisions for the protection of life and property from fire in the United Kingdom, from these answers, we should bear in mind that they refer in England to no town having a population less than 20,000, with one or two exceptions, and the probability is, that the returns from the smaller towns would not be so satisfactory. But it has been stated that of late years the public have become more alive to the importance of this subject, and a number of fire brigades have been established.

See Evidence, Answer 1391.

"14. Secondly. The best means of ascertaining the causes and preventing the frequency of fires.

"15. Most of the witnesses who gave evidence on this branch of the subject concur in the belief that there has been a great increase in the number of fires of late years; that there has been a large proportional increase in the fires whose causes were unknown as compared with the gross numbers of fires, and that this increase, both in the gross number of fires and in the number of fires from unknown causes, was due very much to incendiarism. One witness, Mr. Sidney James Fletcher, of 52 years' experience in fire insurance business, stated that 'his impression, after giving a great deal of attention to the subject, is, that nearly one-third of the fires which occur are intentional.'

1326. 1558.

"16. Evidence was also led proving that the rate of increase in the number of fires in the metropolis since 1845 was much greater than the rate of increase in the number of houses, or the rate of increase in the population. It was also stated that of 589 fires whose causes could not be satisfactorily accounted for, 480, or about five-sixths of the 589, happened on insured property.

Appendix 1 *a* & 7.

1761.

"17. It has also been given in evidence, and admitted even by gentlemen connected with insurance companies, that the increase in the number of fires of late years is to be attributed in some measure to the great competition among insurance companies for business; to their carelessness in taking risks, and in the appointment of agents, and to the facility with which they settle claims, some of which they believe to be fraudulent, and others for losses from fires which they have strong grounds for suspecting to be wilful, and to a disinclination in general in the companies to prosecute. The reasons given for this disinclination to prosecute on the part of the insurance companies are the great difficulty of obtaining evidence, the unwillingness of people to come forward to give evidence, the want of proper means for compelling them to do so, the prejudice existing in the public mind and in the minds of juries against public companies prosecuting private individuals, the unpopularity to which a prosecution exposes them, and the consequent uncertainty of the result.

544. 1368. 3425.

1367. 1373. 4814.

"18. The instances of fires brought prominently before your Committee arose either from the faulty construction of buildings, the careless, in some instances culpably careless, use of candles, gas, &c., the incautious use of lucifer matches, the explosion of mineral oils, the improper storage of goods in warehouses, and wilful fire raising.

"19. When fires take place from a faulty construction of buildings, it is generally in those buildings which have been subjected to alterations, and flues have been made, sunlights placed, stoves erected, and timber laid, in ignorance of, or at all events without any reference to the original construction of the building. Thus, flues are often made close to some wood hidden in the wall, or the smoke of a new fireplace or stove is led into an old flue. The flues from sunlights have also been carried through floors, with great danger and damage to the joists, and ultimately to the whole building; and timber is often placed in close proximity to fireplaces, stoves and flues; even in new houses the same faults are committed, in the misplacing of timber, and flues, and fireplaces.

"20. The explosions from mineral oils arise from a light being brought in contact with the vapour given off by them; and of course the lower the igniting point of the oil, the lower the temperature at which it gives off vapour, and the greater the risk of explosion.

"21. By the present 'Petroleum Act, 1862,' 25 & 26 Vict. c. 66, the igniting point is fixed at 100° of Fahrenheit's thermometer, that is to say, the provisions of the Act apply to

to petroleum giving off an inflammable vapour at a temperature of less than 100° of Fahrenheit's thermometer; and it is enacted that not more than 40 gallons of petroleum shall be kept within 50 yards of a dwelling-house, or of a building in which goods are stored, without a license. It has been given in evidence that this Act is quite inoperative, and that a great deal of the petroleum sold has an igniting point below 100°, and some has been purchased with an igniting point as low as 68°. Lives have been lost by the explosion of oils with such low igniting points. It has also been given in evidence that after a mineral oil lamp has been burning for 20 minutes, the temperature of the brass about the lamp ranges from 100° to 110°. And documents were laid before your Committee calling the attention of the public in America to the great danger of using for domestic purposes any oil of an igniting point of less than 110°, and showing that Congress had recently passed a law imposing heavy penalties on anyone who sold, or offered for sale, oil made from petroleum for illuminating purposes, inflammable at less temperature or fire test than 110° Fahrenheit. 3201. 3145. 5623. 5626

" 22. Your Committee have had a good deal of evidence as to investigation into the causes of fires in this and other countries. In this country it was generally thought up to 1860, that the coroner had the power of investigating into the origin or cases of fires, and several coroners did exercise that power. In that year, however, the Court of Queen's Bench decided that the coroners had no such power, and the practice of holding such investigations was discontinued. 3931. 560. 1.

" 23. In one county in Scotland, about 30 years ago, fires were also investigated into by the Procurator Fiscal by order of the Sheriff, with the effect of putting a stop to their frequency. An attempt was made to extend the practice to other parts of the kingdom, but the Lord Advocate of the day having refused to give his sanction to Sheriffs directing such investigations, they were not only not extended, but discontinued where they had been commenced. Last year Lord Advocate Paton issued a letter to the Procurators Fiscals of the counties, directing that an investigation should be made into the origin of all fires. Sufficient time has not elapsed to ascertain the effect of this order, but it is said to be a serious objection to these investigations that they are made in secret. 1637. 1638.]

" 24. According to the evidence, it is the general practice on the Continent, in Australia, and in America, to inquire into the origin of all fires, and the effect of such investigations is to reduce the number. And in most instances settlement of the claims on insurance companies are deferred till the termination of the inquiry. (*See* the evidence of Messrs. Jansen, Ivey, Huhn, Append. 7, and Questions 2502 *et seq.* and 3361 *et seq.*)

Recommendations.

" 25. To prevent the frequency of fires from the faulty construction of buildings, your Committee would recommend a general Building Act for the whole kingdom, similar in its general provisions, and in the powers it confers on the local authorities, to the Metropolitan Building Act, and to the Building Acts of Liverpool. In passing a Bill to be made applicable to the whole kingdom, your Committee would recommend that the many valuable suggestions made by the professional witnesses should be taken advantage of with regard to the thickness and height of party walls, the placing of fireplaces, stoves, and flues, the keeping of timber at a sufficient distance from flues and fireplaces, the limiting the size and isolating of warehouses, the use of proper materials in the erection of buildings, and specially to the suggestions made in the answer of Mr. Freeman. 4855.

" 26. It has been stated in evidence, that fires very frequently occur in shops situate on the ground floor of buildings having people living in the dwelling-houses above the shops. Your Committee would recommend that in all cases where there are such buildings composed of shops below and dwelling-houses above, the floor immediately above the shop should be made fireproof, as the floors are in Paris, and described in the evidence. In many large retail and wholesale establishments, the business rooms are in the lower, and the assistants are lodged in the upper floors. In all such cases your Committee would recommend that the floors should also be made fireproof, and that there should be a ready means of escape by the roof in case of fire. Your Committee would also recommend that the floors of all large lodging-houses for the poor be made fireproof, that there should be ample means of escape for the lodgers in case of fire. Your Committee would call attention to the evidence borne by architects, builders, and district surveyors, that when a fire takes place in a warehouse, iron is of little use in stopping its progress; that generally speaking they prefer wood well plastered for fireproof purposes to iron, and some of them gave a preference to wooden stairs instead of stone, as the latter crumble away with the heat.

" 27. It has been brought out in evidence, that without any inquiry, clauses are frequently inserted in Bills for the supply of water by companies or local authorities, providing that the water need not be constantly laid on, thereby frustating the evident intention of the provision of 'The Waterworks Clauses Act, 1847,' which contemplates, unless in exceptional cases, a constant supply of water at high pressure. Certain of the fire insurance companies have from time to time opposed Bills containing such clauses, but it has recently been decided that those companies have no *locus standi* against Water Bills, and as each private person would prefer protecting his own individual interests by

insurance, there is no one to oppose on the general ground of diminishing the destruction of life and property by fire. Bills containing the clauses in question have consequently been allowed to pass, without any inquiry as to whether or not there were any physical or other reason why a constant supply should not be afforded.

" 28. At present, the referees are empowered in the case of opposed Water Bills to inquire into, among other things, the nature and amount of supply, and the pressure and proposed mode of service; but they have no power to make any inquiry whatever in the case of any Bill which is not opposed. The result is, that Water Bills containing the provision in question, if unopposed (and, as above shown, opposition is rarely made), are allowed to pass without investigation.

" 29. To remedy this defect, your Committee would recommend that it should be made a Standing Order of the House, that every unopposed Bill, providing for or regulating the supply of water, and which provides that such supply need not be constant or at high pressure, shall, immediately after the second reading thereof, be referred to the referees to inquire and report whether sufficient reasons exist for such provisions.

" 30. Your Committee would recommend that where, on an investigation into the origin of a fire, it has been proved to have been caused by the culpable carelessness of some person or persons, such person or persons shall be deemed guilty of a punishable offence.

" 31. A frequent cause of loss of life and destruction of property from fire is lucifer matches, and various suggestions have been given in evidence to remedy this evil. With this view, it has been suggested that a tax should be laid on lucifer matches, or that all those selling them should take out a license for so doing. Your Committee are of opinion that the adoption of either of these suggestions would be a serious interference with a most important branch of industry without producing the desired results. They would rather recommend that the attention of the public be directed to the much greater safety of those matches which ignite only on the surface of the outside of the box in which they are contained, and it is hoped that through time these matches will come into general use, and entirely supersede those which ignite through friction on any rough surface.

" 32. Your Committee would recommend that no oil produced by distillation from coal, shale, peat, petroleum, rock oil, Rangoon or Burmah oil, or other bituminous substance, and used for illuminating purposes, should be sold for such purposes with an igniting point under 110° Fahrenheit. As there are various ways of testing the igniting point of mineral oils, by which very different results are arrived at, your Committee deem it advisable to describe here the mode of testing the oil, so as to ascertain the igniting point indicated in their recommendation. The test instruments consist of two vessels or cups one within the other; the oil is put into the inner vessel and water into the outer one; a light is applied to the outer vessel, by which means the water is heated, and the heat thus conveyed to the oil in the inner vessel placed in the water. A Fahrenheit's thermometer placed in the oil indicates the temperature, and a light is applied from time to time to the surface of the oil, and the temperature denoted by the thermometer when the first flash takes place from the explosion of the vapour rising from the heated oil will be considered the igniting point of the oil. Strictly speaking, that is the vapour test or igniting point of the vapour, and will not be followed by the permanent ignition of the oil. But in the explosions which take place from these oils in shops or in lamps, it is the vapour and not the oil that first ignites, and, therefore, your Committee would recommend the vapour test and not the oil test or permanent ignition of the oil as the legal point of ignition. They would further recommend that anyone found selling or offering for sale petroleum, paraffin, or other mineral oil for illuminating purposes, possessing an igniting point below the legal standard, shall not only forfeit such oil in his possession, but shall be liable to be fined.

" 33. Your Committee are apprehensive, lest, owing to the stringent measures adopted in America regarding the selling of petroleum, much of that oil with a low igniting point will be imported into this country, and they would therefore recommend that all mineral oils imported should be tested as regards the igniting point, and marked before being stored. They also consider it desirable that more stringent regulations should be made regarding the storing in warehouses, and keeping in shops, of turpentine, camphine, and similar mineral spirits.

5586, *et seq.* 5313, *et seq.* " 34. Your Committee would direct attention to the descriptions of warehouses for the storing of mineral oils, given in the evidence of Messrs. Laird and Odam, as well adapted for the purpose.

" 35. Great conflagrations attended with immense destruction of property and serious loss of life, have occurred from the improper and indiscriminate storing of goods in warehouses. So serious are the results when a fire takes place among goods thus stored, particularly if some of them are inflammable or explosive, that warehouses constructed on the best principles of fireproofing have been found to be of little use in arresting the progress of a fire. The losses which insurance companies sustain from this cause, induce them to make certain regulations regarding the classification of goods in storing.

1380. 1562. 4855.

" 36. Great improvements have taken place in the storing of goods, particularly in London and Liverpool; in London these improvements have been due to the insurance companies, as there are no Local Acts or municipal regulations there on the subject: in Liverpool, on the other hand, this subject has been considered so important that several Local Acts have been obtained, and municipal regulations laid down for the better storing of

of goods in the warehouses within the boundaries of the borough ; but, in the answer returned to the 6th question above stated, it would appear that in very few other towns is the subject attended to. Your Committee would recommend, that in the event of any legislation on this subject, the classification and storing of goods should be duly considered.

" 37. Though your Committee hope that the recommendation made above, if carried into execution, would be productive of much good, they still are of opinion that the large number of fires whose causes are unknown or suspicious would not be much affected by such recommendations. Some means must be devised for discovering the causes of those fires which have hitherto remained undiscovered, and for preventing the frequency of wilful or intentional fires. On referring to the evidence, we find that wilful fire-raising is traced to several sources: 1st, to gangs of men who make a trade of it to defraud the insurance companies; 2nd, to individuals who have been unfortunate in business, and who cannot meet the claims made on them; 3rd, to porters in warehouses, to conceal theft of goods made by them on the warehouses; 4th, to malice.

" 38. There is no doubt that the causes of a considerable number of fires will never be discovered, as a fire frequently destroys any traces of evidence that might lead to the discovery of its cause; but almost all the witnesses who have devoted any attention to this subject concur in the opinion that an inquiry made into all fires would have the effect not only of discovering the causes of many fires at present unknown, but of reducing the gross number of fires. Though in London and Liverpool some inquiry is made by the police or fire brigade, for their own satisfaction, into the origin of the fires, it is not of that searching character to elicit the whole truth; nor is it possible that it can be of this character, for those conducting the inquiry are not vested with sufficient powers for so doing. Mr. Clint, Chairman of the Watch Committee in Liverpool, stated in evidence that the police in Liverpool always inquired into the origin of fires, but that they often failed in discovering the cause, and that, too, when they have strong suspicions that the fire was wilful, 'because they cannot examine anyone on oath.' The inquiry, therefore, should be made by some duly qualified officer having the power to examine witnesses on oath.

" 39. Your Committee, in recommending that an inquiry should take place into every fire, would direct attention to three stages, into which, in their opinion, the inquiry should be divided: 1st, the initiatory stage, to be made by the police or fire brigade, who must be instructed and charged to do it, and if anything the least suspicious is observed about the fire, it will be their duty to report it to an officer authorised to make inquiry; 2nd, this officer shall conduct the second stage of the inquiry by examining witnesses on oath, and, if he think proper, empanelling a jury, so as to discover whether the fire is suspicious or not, and if suspicious, on whom the suspicion can be fixed; if the evidence is not strong enough to implicate anyone in particular, the inquiry will terminate, but if there are strong grounds for suspecting anyone he will be prosecuted before the ordinary Criminal Courts, to be dealt with in the same way as any person accused of crime ; this will constitute the third stage of the inquiry. The question to consider, then, is who shall be the officer to whom the police shall report the case for the second stage of the inquiry. Several suggestions have been made to your Committee by the witnesses; some suggest the coroner, others the police magistrate, and a third party the appointment of an officer similar to the fire marshals in America.

" 40. Your Committee, after giving due consideration to this subject, would prefer the police magistrate or coroner to the fire marshals, mainly because in the courts of these two officers they have a ready-made machinery and they, such being the case, are averse to the recommendation of the creation of any new offices; and they would recommend the coroner to carry out the second stage of the inquiry in preference to the police magistrates, because the coroner's court is a movable one, and he can constitute his court and conduct the inquiry in the immediate vicinity of the fire, and because till of late he was generally considered to have the power of inquiry into fires, and such power was exercised by some coroners.

" 41. Your Committee would recommend that he should be paid for conducting the inquiry, partly by fees and partly by salary out of the rates. They do not think that the insurance companies should be called upon to pay any part of the expense, as it is not the duty of any private commercial company to prosecute for a public crime, and besides, the fire may take place on property not insured.

" 42. They would further recommend, that the investigation into the origin of fires by Procurators Fiscal in Scotland shall be public.

" 43. And they would specially recommend that, in the event of such a judicial inquiry into the origin of fires being instituted throughout the country, no claim should be settled by any insurance company without a certificate from the officer appointed to conduct such an investigation authorising the settlement; but this certificate should not debar the insurance office from opposing the claim if they think proper."

Draft Report proposed by the Chairman, read a second time, paragraph by paragraph.

Several paragraphs *agreed to.*

[Adjourned till Monday next, at One o'clock.

Monday, 22nd July 1867.

MEMBERS PRESENT:

Mr. M'LAGAN in the Chair.

Mr. Agar-Ellis.	Mr. Kinnaird.
Mr. Lusk.	Mr. Leeman.
Lord Richard Grosvenor.	Mr. Read.

Paragraphs 12—16, *agreed to*, with Amendments.

Paragraph.—17 Amendment proposed, l. 4, to leave out the word "their"—(Mr. *Kinnaird*).—Question put, That the word "their" stand part of the paragraph:—The Committee divided:

Ayes, 3.	Noes, 2.
Mr. Agar Ellis.	Mr. Leeman.
Lord Richard Grosvenor.	Mr. Kinnaird.
Mr. Lusk.	

Amendment proposed, l. 4, to insert after the word "carelessness" the words "in many instances"—(Mr. *Leeman*).—Question put, That those words be there inserted:—The Committee divided:

Ayes, 2.	Noes, 3.
Mr. Kinnaird.	Mr. Agar-Ellis.
Mr. Leeman.	Lord Richard Grosvenor.
	Mr. Lusk.

Paragraph 18, *postponed.*

Paragraph 19, *agreed to.*

Paragraphs 20, 21, *postponed.*

Paragraphs 22, 23, 24, amended, and *agreed to.*

Paragraph 25, *postponed.*

Paragraphs 26—30, amended, and *agreed to.*

Paragraph 31.—Amendment proposed, to leave out from the word "doing" to the word "recommend," in order to insert the words "Your Committee are of opinion that the imposition of a small tax upon common lucifer matches (those which ignite by friction almost anywhere, and are consequently so dangerous in the hands of children and heedless persons) would produce a considerable revenue, and by slightly increasing their price produce a more careful use of such matches, but under any circumstances your Committee strongly"—(Mr. *Read*),—instead thereof.—Question proposed, That words proposed to be left out stand part of paragraph:—Amendment, by leave, withdrawn.—Question put, and *agreed to.*—Question put, That this paragraph stand part of the proposed Report:—The Committee divided:

Aye, 1.	Noes, 3.
Mr. Read.	Mr. Agar-Ellis.
	Mr. Leeman.
	Mr. Lusk.

Paragraphs 32—34, *postponed.*

Paragraphs 35 and 36, amended, and *agreed to.*

Paragraph 37, *postponed.*

Paragraph 38, *agreed to.*

[Adjourned till Thursday next, at One o'clock.

Thursday, 25th July 1867.

MEMBERS PRESENT:

Mr. M'LAGAN in the Chair.

Mr. Whitmore.	Mr. Gorst.
Mr. Horsfall.	Mr. Lanyon.
Mr. Laird.	Mr. Lusk.
Lord Richard Grosvenor.	Mr. Kinnaird.
Mr. Read.	

Remaining paragraphs *agreed to*, with Amendments.

Postponed paragraphs, 18, 20, and 21, amended, and *agreed to.*

Postponed paragraph 25:—Amendment proposed, to leave out the words "the whole kingdom," in order to insert the words "all towns and places in the United Kingdom, governed by Municipal Corporations, Improvement Commissioners, or Local Boards of Health"—(Mr. *Laird*)—instead thereof.—Question put, That the words "the whole kingdom" stand part of the paragraph:—The Committee divided:

Aye, 1.	Noes, 8.
Mr. Lusk.	Mr. Gorst.
	Lord Richard Grosvenor.
	Mr. Horsfall.
	Mr. Kinnaird.
	Mr. Lanyon.
	Mr. Read.
	Mr. Laird.
	Mr. Sheridan.

Words inserted.

Amendment proposed, lines 9, 10, to leave out the words "the use of proper materials in the erection of buildings"—(Mr. *Lusk*).—Question, That those words stand part of the paragraph:—The Committee divided:

Ayes, 8.	Noe, 1.
Mr. Gorst.	Mr. Lusk.
Lord Richard Grosvenor.	
Mr. Horsfall.	
Mr. Kinnaird.	
Mr. Lanyon.	
Mr. Read.	
Mr. Laird.	
Mr. Sheridan.	

Paragraph as amended, *agreed to.*

Postponed paragraph 32.—Amendment proposed, to leave out "110°" in order to insert "100°"—(Mr. *Laird*)—instead thereof.—Question put, That "110°" stand part of the paragraph:—The Committee divided:

Ayes, 7.	Noes, 2.
Mr. Gorst.	Mr. Horsfall.
Lord Richard Grosvenor.	Mr. Laird.
Mr. Kinnaird.	
Mr. Lusk.	
Mr. Read.	
Mr. Sheridan.	
Mr. Lanyon.	

Amendments made.—Paragraph, as amended, *agreed to.*

Postponed paragraph 33, amended, and *agreed to.*

Postponed paragraph 34, *agreed to.*

Postponed paragraph 37.—Amendments made.—Amendment proposed, to leave out the words "gangs of"—(Mr. *Lusk*).—Question, That the words "gangs of" stand part of the paragraph:—The Committee divided:

Ayes, 6.	Noe, 1.
Mr. Gorst.	Mr. Lusk.
Lord Richard Grosvenor.	
Mr. Kinnaird.	
Mr. Lanyon.	
Mr. Read.	
Mr. Laird.	

Amendment proposed, to leave out the words "to persons in warehouses to conceal theft of goods made by them on the warehouses; 4th"—(Mr. *Lusk*).—Question proposed, That the words proposed to be left out stand of the paragraph:—The Committee divided:

Ayes, 5.	Noe, 1.
Mr. Gorst.	Mr. Lusk.
Lord Richard Grosvenor.	
Mr. Kinnaird.	
Mr. Lanyon.	
Mr. Read.	

Paragraph, as amended, *agreed to.*

Question, That this Report, as amended, be the Report of the Committee to the House—put, and *agreed to.*

Ordered, To Report, together with the Minutes of Evidence and Appendix.

EXPENSES OF WITNESSES.

NAME of WITNESS.	PROFESSION or CONDITION.	From whence Summoned.	Number of Days Absent from Home, under Orders of Committee.	Expenses of Journey to London and back.	Allowance during Absence from Home.	TOTAL Expenses allowed to Witness.
				£. s. d.	£. s. d.	£. s. d.
Samuel Vance - -	Fire Inspector -	Belfast - - -	Four -	4 5 –	4 4 –	8 9 –
Luke Doyle - -	Land Surveyor -	Dublin - - -	Four -	5 15 –	8 8 –	14 3 –
John Fogerty - -	Architect - -	Limerick - - -	Five -	5 10 –	15 15 –	21 5 –
Edward Newman Knocker.	Solicitor - -	Sevenoaks - - -	One -	– 10 –	2 2 –	2 12 –
Henry Daniel - -	Auctioneer - -	Bristol - - -	Two -	2 17 –	2 2 –	4 19 –
William Hancock -	Assessor of Fire Losses.	Manchester - -	Three -	3 11 –	3 3 –	6 14 –
				TOTAL - - - £.		58 2 –

MINUTES OF EVIDENCE.

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Mr. Macgregor Laird - - - p. 229
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Thursday, 4th July 1867.

Capt. Eyre Massey Shaw - - p. 248
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MINUTES OF EVIDENCE.

Thursday, 4th April 1867.

MEMBERS PRESENT:

Mr. Agar-Ellis.
Mr. Beach.
Mr. Gorst.
Lord Richard Grosvenor.
Mr. Horsfall.
Mr. Kinnaird.
Mr. Leeman.
Mr. Lusk.
Mr. M'Lagan.
Mr. Miller.
Mr. Read.
Mr. Turner.
Mr. Whitmore.

PETER M'LAGAN, Esq., IN THE CHAIR.

MR. CHARLES FREDERICK TREWLAWNEY YOUNG, called in; and Examined.

Mr. *C. F. T. Young.*

4 April 1867.

1. YOU are a Civil Engineer, I believe?—I am.

2. And you have directed your attention for some years to the subject of fires?—Yes.

3. That is to say, in your professional capacity?—Yes.

4. In appearing here, do you represent any particular body?—No.

5. You represent no association whatever?—None; except that so far as my sympathies are with the volunteers, I represent the voluntary idea of extinguishing fires.

6. How long has your attention been directed to the subject of fires?—Since the end of the year 1854.

7. Will you state to the Committee the circumstances attending your connection with the subject?—I was many years with Mr. Scott Russell, and at our works at Millwall we had several very serious fires, including the burning of the large floating battery, "Etna," in the year 1855. The result of that, and the unaccountableness of those fires, led me to think that something more was wanted with regard to fires than we found existed. First, there was sending to, and waiting for the brigade to come down, and so on; it seemed to me that there was a terrible shortcoming in the system. The nearest engine was, I should say, three miles off; but there was a volunteer engine close to us in the next yard, the "True Blue," which was very soon on the spot, though it was of very little assistance, because there was little water. We tried all we could to find out how the fire arose, and we gave one of the men in charge on suspicion, but nothing was proved, because there was no proper scientific investigation. Then soon after that there was a large fire in Blackfriars, where Mr. Braidwood's son-in-law lost his life. I was there; and there I saw a deficiency again; and so it has been constantly at the different fires which I have attended, sometimes with the volunteer brigades, and sometimes merely to look on professionally. I felt that all that pointed to the great necessity of re-modelling our fire arrangements throughout.

8. You have attended to the subject practically so far as extinguishing fires is concerned?—Yes.

9. You have inquired into the subject with regard to the existing Legislative provisions?—Yes.

10. And you have published the result of your inquiries in a book?—I did so.

11. In making your inquiries into the existing Legislative provisions for the protection of life and property against fire, did you enter into the subject with regard to the country districts?—Yes; with regard to England, the Continent, the United States, and elsewhere.

12. You have paid particular attention to the Metropolis Building Act, have you not?—Yes; I have had so many instances of accidents from the very inefficient working of that Act, that I think it should be re-modelled very extensively, but I would rather not bring names into question.

13. Do you think that that Act is inoperative?—Yes; in a great many cases.

14. On account of defect in its provisions, or on account of the machinery not being properly worked?—The inefficiency of its working, and the very partial nature of the Act; they allow a large warehouse to be built, and then it may be regularly crammed with the most inflammable material. Now, what is the use of limiting the cubic contents of a room alone; take jute, that is stowed in bulk; it is stowed so that one cannot get round it or through it, and in cases of spontaneous combustion, you find the results of that stowing when the mischief has taken place.

15. Do you think that the Metropolitan Building

Mr. *C. F. T. Young.*

4 April 1867.

Building Act should be repealed and a better Act introduced?—Certainly; take the cases of the present small houses that they are building. I could mention three houses that I pass twice or thrice a week, where you could kick them down with your foot, and if you throw a match in, the place is gone.

16. Are you aware of any Local Building Acts in the country?—There are some in Glasgow and in some other places. In Nottingham, I think, they have fewer fires than anywhere else, but that is owing to the style of building; they are fire-proof, or nearly so, but that is not dependent on any Local Act.

17. At Liverpool, there is a Local Act, is there not?—Yes; there is a Local Act at Liverpool, and Glasgow and Edinburgh have each separate Local Acts.

18. Do you know the particulars of those Acts?—No; in the Committee of 1862, I think, the Liverpool and Glasgow gentlemen brought forward their Acts, or extracts from them; but where there is stone to build with there is more solid building than with bricks, especially with the material they now use for bricks in London.

19. In prosecuting your inquiries with regard to extinguishing fires throughout the country, what means did you adopt for obtaining your information?—I drew up a circular to the superintendents of the fire brigades or engines of such and such towns. I took 800 towns with a population of 2,000 and upwards, and sent out a circular to each; such as were returned came to me. I had a great many that were never opened sent me back from the Post Office indorsed, "No Fire Brigade or Engine" at such a place. I had a whole bundle of them sent back like that. But this book (*producing a book*) will show the general character of the answers.

20. You issued 800 circulars?—Yes.

21. How many answers did you receive?—One hundred and eighty or 200, I believe. I have received answers from towns where there were 20,000 odd inhabitants without any protection in the place.

22. Mr. *Horsfall.*] Did you address those communications officially, or as a private individual?—As a private individual; stating that I was writing a book, and should be obliged for any information which they would give me.

23. *Chairman.*] Did you include Ireland in issuing those circulars?—Yes; and from a few towns in Ireland I obtained replies, but very few.

24. Mr. *Agar-Ellis.*] Of what nature were those replies?—Some were very satisfactory; one lady acted as chief of a fire brigade, who had done some very good work; I think it was at Dundalk.

25. *Chairman.*] I see in one of the returns, the town of Oxford, having a population of 28,000, and no proper means and appliances for extinguishing fires?—No; there is just an engine at the University, which the town gets the benefit of when there is a fire.

26. Is there only one engine in the whole town?—There may be three, one to one University, and two to another; but there is nothing whatever belonging to the town as a municipal place.

27. Sedgley, in Staffordshire, with a population of 36,000, has no proper means or appliances for extinguishing fires?—No; that circular was returned from the Post Office marked "No engine," fire brigade, or other means of extinguishing fires, so and so, postmaster.

28. But, perhaps, the postmaster was not aware that some of the insurance companies might have had a private engine?—I think he would know that.

29. Your inquiries were directed mainly to water, as a means of extinguishing fires?—Yes; certainly.

30. Did you, in your circular, inquire whether there was a proper supply of water or not?—I asked how the town was supplied with water, and then I obtained for answer, "from ponds or water works, or brooks, or taps."

31. Have you, in considering the subject, thought of any other means than water for extinguishing fires?—I do not see any other means so readily applicable as water for extinguishing fires; nature seems to have provided it for that purpose; it is the readiest, cheapest, and most easily manageable; those chemical ideas amount to nothing.

32. But in fires where there are particular materials, is it not dangerous when the water comes in contact with them?—That is very rarely the case, I think, though it might be so with some materials. At present the Building Act does not provide proper places for storing inflammable goods, and it may be taken as practically useless.

33. That is the Metropolitan Building Act?—Yes; it amounts to nothing practically. I was at a part of London where there is petroleum, of the most inflammable character, stacked in among the houses, and the whole neighbourhood might be blown up.

34. You belong to the Volunteer Fire Brigade, do you not?—I have presided at their dinners, and they have given me assistance in every way.

35. Have you attended fires?—Yes; I have run with Hodge's brigade over at Lambeth; he had the best brigade in London before he resigned.

36. You have been working side by side with the Metropolitan Fire Brigade, I suppose?—Yes; I have continually done so.

37. Who takes the command of the fire brigade, in order to prevent collision?—The paid man's idea is, that nobody has a right to put a fire out but himself. I have seen cases where a steam engine has been working at a plug, belonging to the Volunteer Fire Brigade, and the regulars have come up and said, "Go away, we want your water," though they have no authority to do so; but that shows their very curious ideas, about losing time, in shifting the engine. I have seen that continually, and it is evidence of a wrong appreciation of the treatment of fires altogether.

38. Do you not consider that the paid fire brigade are the responsible parties in case of fires?—They are put forth as such; but taking the results of their working, and the means at their disposal, I consider it totally insufficient, because it amounts to this: at this moment, perhaps, a fire occurs at Tooting, half the engines in London run to it, and the rest of the Metropolis is left unprotected; at Kensington no less than eight engines of the brigade ran to a fire which occurred there.

39. You would say that the error was chiefly in the improper distribution of the engines, or the

the stations?—That has a great deal to do with it.

40. Centralization has been carried out too much, you think?—Yes; by a long way, in my opinion.

41. Is it not absolutely necessary that there should be one authority at fires, commanding all the brigades?—It depends on circumstances. Suppose you had the sole authority to put a fire out, and I support an engine, at my own expense, in your district; I am closer to the fire than you are, and it being my engine I go there without fee or reward; is it just, that when you come down I am to be driven off, and have no credit for it, while you lose time in shifting the engine to give you the post of authority? I think not.

42. If anything went wrong I should be blamed for it, being the man in authority?—But how often, since the volunteers have been working, has anything gone wrong under their management.

43. But if anything did go wrong the paid body would get the blame of it, I suppose?—No, certainly not, I think.

44. You have entered professionally very much into the question of fire engines, have you not?—Yes.

45. Do you approve generally of the steam fire engines?—Undoubtedly, if properly used.

46. But at the same time, I suppose, you think that small hand engines should not be done away with?—Certainly not.

47. I suppose your evidence amounts to this; that you would distribute a great many small hand fire engines over a town so that they might be ready at the very first when a fire breaks out?—It amounts to this, that the power would require to be properly placed in proportion to the chance of fires. A very powerful steam engine throwing 1,000 gallons per minute, where there are only three or four small houses, would be out of place, quite as much as some of the hand engines would be in the heart of the docks. There is now too much concentration; the outlying districts are totally unprotected; take the fire at Tooting and the fire at the Crystal Palace, for example.

48. Have you found in your inquiries that there is greater destruction of goods or furniture, not from fire but from the means employed for extinguishing fires; that there are more goods destroyed by the water and by the firemen than used to be the case?—There has been a great deal of damage lately from the injudicious use of steam engines; putting steamers at work where there should be hand pumps, working with steam where they might work with a dummy off the main. I do not see the reason why steamers are allowed to work at the fires when there is no necessity for them, and really in some cases they hold them back when they ought to be worked. I do not believe that the proper theory of fire extinguishing has been considered in this country. I hold in my hand a manual for the French firemen, given to me by the Fire Superintendent in Paris, got up by the Minister of War; it is one of the most beautiful books I ever saw. I have seen several fires in Paris, and a little engine, about the size of a garden engine, with three men, put a fire out in style; they are taught to go straight to the house and work where the fire is; there is no working from the streets; the men have received every instruction how to lay the hose in every part of the house; the houses are more uniformly constructed than in this country. The Superintendent said to me the other day, "There is only one thing we want, and that is water."

49. Is there a separate fire brigade in Paris from the police?—It is a military system; in a measure it is connected with the police, because they have their assistance; but the brigade is a brigade chosen from the best soldiers, for good conduct and good character, who are promoted and taken in there. I was astonished to see the men at their exercise.

50. How many men are there in the fire brigade?—About 1,250.

51. Do you know how many men belong to the fire brigade in London?—There are so many changes; the other day, at the Board of Works, there were six or seven men wanting to come in to take the place of men resigning. About 200, possibly.

52. They have 1,200 in Paris?—One thousand two hundred and fifty, I think. I gave my return in the book to the last moment. But you may have 1,000 men worth nothing, and you may have 50 men who are very valuable; it depends on the way they are instructed.

53. Then with regard to the way of the distribution of the water-pipes; can you suggest any improvement with regard to that?—I have suggested in my book that each station should have two men, one for day and one for night duty, who should understand the mains in particular districts; but now the men at Lambeth would not know the mains at Islington, or which were charged, or which were not. The general reply I get is, "How could they know; sometimes such a main is full, and sometimes it is empty." But I conceive that there is a certain time at which a main is charged, and a certain time at which it is not charged, and that might be easily posted at the station, and the plugs might be better marked.

54. That would be the duty of the Metropolitan Board of Works, would it not?—As at present constituted, certainly. That was brought before them 12 months ago, by my friend Mr. Becker, but it has come to nothing yet.

55. The turncocks are the servants of the water companies, are they not?—Yes; now the rewards they used to have are cut down; they get 1 *s.* now in place of 2 *s.* 6 *d.*

56. Who paid that?—It used to come out of the brigade originally, I believe; the parish used to pay for engines being first at the fire.

57. Do you know the means that exist now for giving alarm when a fire takes place in the metropolis?—I can hardly tell you. There is no system, strictly speaking; anybody that sees a fire runs to the nearest station. In America they have a little box in the wall, with a certain number of turns to describe a fire in various streets in each district. All those converge on the central station. Suppose there is a fire at Millwall, they immediately telegraph from Millwall, and the first person that sees the fire may be the shopkeeper, who has the key; he opens the door and telegraphs so many turns of the handle, which informs the first station that there is a fire there, and the nature of it; and if the assistance is not sufficient, they send back to the main station for more. But with us you may have an alarm given at six different stations, whether they are all wanted or not. In Mr. Braidwood's time, he used to send men called stops, to pre-

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vent more engines being sent to a fire than were necessary, but that has been given up.

58. Are not the police supposed to give alarm in case of fire?—It is supposed so. I saw, the other day, a chimney on fire in London, and there was a policeman standing there; he said, "We do not go for the engines; it is a long way off my beat; it is not my business." He looked at the number of the house and went on. I waited there twenty minutes and no engine came up, but by that time the fire was down.

59. I understand that there is telegraphic means of giving notice of fires in the Metropolis?—Yes; there is an apology for such a system; they telegraph from one station to another, but it does not work exactly; it does not seem what it ought to be, and I have paid very little attention to it.

60. Mr. *Horsfall.*] Have they no fire-bells to sound the alarm in the first instance?—No; they have merely a bell at the station at the door.

61. *Chairman.*] You are not aware of the practice at Liverpool and other places?—They have the telegraph at Liverpool, I believe.

62. And fire-bells?—I think not; it is more a police system; every policeman has authority to deal with a fire the moment he sees it, whereas here the policeman's business is only to stand by the door, and if he puts a bucket of water on the fire, he does it on his own responsibility.

63. Mr. *Horsfall.*] I think they have a fire-bell at Liverpool?—that may be so.

64. Mr. *Turner.*] There is a portion of the police at Liverpool whose special duty it is to attend to the prevention of fire, is there not?—Yes; and a very good thing it is; if you can put a fire out the moment you find it, that is the *sine quâ non;* all the power is of little use afterwards.

65. Mr. *Horsfall.*] Are you aware whether there has been any great increase in the number of fires lately?—Yes; both in quantity and in damage; the meetings of the different insurance offices show that; and a very bad feature is, that the fires take place in what are called fire-proof buildings.

66. *Chairman.*] Do you know the proportion of increase?—Not during the last two years; Mr. Vulliamy said, that it was increasing at the rate of 14 per cent. in the total destruction.

67. How long have you turned your attention to the causes of fires?—I have seen a good deal that showed me we ought to get some benefit from the constantly occurring fires, in finding them out, and devising means of prevention.

68. Do you think that the causes of fires have increased as well as the numbers?—Yes; no doubt.

69. In what respect?—It seems that incendiarism is very prevalent.

70. There is a great increase in cases of incendiarism, you think?—Yes; you will see in the brigade returns, everything that is not exactly in front of them is put down as unknown.

71. Mr. *Read.*] What is incendiarism as defined by you?—That is either wilful burning, or a man is so neglectful of common-sense precautions, that a fire ensues; the effect is the same.

72. Is it incendiarism whether a man sets fire to his own place or to other places?—Generally to his own place; but certain cases of spite occur. In a case which I knew, the fire broke out in three different places at once.

73. Mr. *Beach.*] Do you mean arson when you say incendiarism?—There are a great many cases of arson.

74. I thought you said that you included cases of carelessness?—In some cases a man does not care whether his house burns or not, because he is insured; and in other cases he burns the place himself, because he wants the insurance; there is little difference between the two cases.

75. Mr. *Kinnaird.*] What are the steps that they take in New York to prevent fines?—They have a fire marshall, whose duty it is, immediately a fire is on, to take note of every thing.

76. Is he a paid man?—He is a paid man; the volunteer system degenerated into a political organisation.

77. Mr. *Gorst.*] They have greater facilities in New York for getting from place to place; their horses are admirable are they not?—Yes; it is a business there.

78. Mr. *Kinnaird.*] With regard to the difference between incendiarism and arson, how do you define that?—By incendiarism I mean places being set on fire, that might not have been set on fire had ordinary care been used; and by arson, I mean a wilful determination to burn a place down.

79. Whether it be the man's own property or his neighbour?—Just so.

80. You say that there has been a very great increase in incendiarism?—In fires of unknown cause.

81. In the return of the Metropolitan Fire Brigade for 1866, I see only four fires attributed to incendiarism?—Yes.

82. But there are 589 the causes of which are unknown?—Yes.

83. You would say that a great portion of the 589 are incendiary fires?—They are incendiary by what you may call carelessness, a certain portion of wilfulness; but I think in 150 cases, properly investigated, you might have the cause of the fire found out, and perhaps in all cases.

84. Is there any means that you would propose for reducing the number of those unknown fires?—I think nothing would do so much good as a feeling that there must be a judicial investigation, whether it is a door burnt or a whole house burnt. But at the present time the chances are so much in favour of getting clear, that people will risk it. The experience of New York, Philadelphia, and all those other cities where they have adopted that system proves that.

85. How do they proceed in investigating the causes of fire in New York?—I have not got the particulars.

86. Do you know how they proceed in France?—Every fire is investigated by the police and the brigade.

87. Now in prosecuting an inquiry into a fire in this country, supposing there was to be a judicial investigation, who would commence the proceedings?—There should be some authority charged with that duty; at present, unless we employ the coroner, I do not see who else could do so; I think he should be the man.

88. But who would initiate the inquiry?—Either the police or the fire brigade; the mere fact of a fire should be sufficient to justify the coroner in holding a court; though only a chimney or a piece of wood was burnt, there should be a stir made about it.

89. You would say that every fire should come under an investigation by the coroner?—Yes; there should be almost a Fire Court for it,

for

for the evil is increasing to such a frightful extent, without due cause, that the subject must certainly be taken in hand.

90. You say that it would be the duty of the police or the brigade at once to intimate to the coroner that such a fire had taken place?—Yes.

91. And that he should take steps to inquire into it?—Yes; I think that the Board of Works might have a regular fire board every day, before whom they should have reports of fires, and make inquiries into them thoroughly.

92. But if every fire was to be inquired into, is it not perfectly evident that in a case like London you must have at least one man to devote his whole time to it?—Just so.

93. How should he, in your opinion, be paid?—By a fixed salary, the same as our police magistrates; in fact, it seems a police duty, or the duty of the Government, for the benefit of everybody, and not of a peculiar class; therefore, I think, every one should contribute.

94. Mr. *Agar-Ellis.*] Under the new Act the fire brigade have the power of turning away volunteer engines if they like, have they not?—It is said so.

95. Do you know the Act?—Yes; but it is not actually done.

96. But is it not said in the Act that they may do so?—Yes.

97. Then it is lawful that they should do it?—Yes; but the popular feeling would be so strong that I feel certain, that if they were to attempt to do that, it would not be done. When life and property are at stake, it is too serious a matter to be trifled with for any fancy of law.

98. In your experience of fires, did you never see a volunteer fire engine, or a body of volunteers in the way, doing more harm than good?—No; I am very happy to say that my experience of fires has been that there has been a great amount of skill, and what I call science, on the part of the volunteers; the paid men only do what they are told to do; in fact you have a different class of men in the volunteers from what you have in the paid men; that is the great distinction I see in it.

99. You do not seem to approve of the way in which steam engines are used?—No; there was a fire in South London where a window curtain caught light, and a steam engine was brought which smashed the windows, while a hand pump would have been quite sufficient. If the system was right, a man would know the construction of buildings, and he would be able to go right in and attack the fire exactly where it was.

100. Is it not the case that the inhabitants of a house are often very loth to let the firemen in?—They should have authority to go in; the public good should be paramount.

101. Is it not within your experience that it is the case that inhabitants are very loth to let firemen in?—I know that firemen have been very often refused admission.

102. Then your idea comes to this, that you are to smash the windows with water or break in the door with a tomahawk?—Yes; but try the door first, and do the minimum of damage.

103. Have you seen any fires in Paris?—I just missed one the other day, but I saw the ruins.

104. Have you ever seen a fire in Paris?—Not an actual fire, but I was on the ruins the next morning, and they were smoking then.

105. Was there much damage done?—It was clean burnt out; it was a large saw mill; there was no water supply at that end of Paris; the water supply there is a monopoly in the hands of some 30,000 or 40,000 people who carry water round; if you laid down the water at once you would throw them all out of a living, so that they are gradually laying on the water.

106. You never saw the effects of a fire in one of the common houses on the Boulevards?—I saw one at the east of Paris, it was a very good stop indeed.

107. The houses in Paris, as a rule, I think are very much better built than they are here?—Yes; they have a uniform system in Paris, but here a man builds as he likes almost.

108. You mentioned something about telegraphs between fire stations in London; do you not know that they have a telegraph in every station?—I know that they have; but from every station you have to send round.

109. Has not every station got a line of telegraph from itself to the central station?—Undoubtedly; but what I mean by the inefficiency of the system, is this, that if a fire occurs two miles from the nearest station you have to run to that station to give notice, whereas, in America, they portion out the streets as I have mentioned.

110. But every station can telegraph immediately they get information of a fire to the central station; can they not?—I think they can do so by going upwards and backwards, but not direct.

111. At all events, they have the power of telegraphing to the central station?—Yes.

112. Mr. *Kinnaird.*] That being the case, how was it that the telegraph proved so inoperative in the case of the Crystal Palace calamity?—That is what I should like to know.

113. But if there was an investigation or inquiry, you might be able to arrive at that?—Undoubtedly.

114. Has there been any investigation in that case?—I have not heard so.

115. I gather from you that you think our system here is very inoperative?—Yes; very inoperative.

116. Will you kindly sketch out in your own mind what the remedy would be which you propose?—That would take some time, I am afraid.

117. Where is the original defect in our system, do you think?—The system is concentration instead of distribution. The protection which they are bound to supply by the Act all over the Metropolis is not done at all; it is all concentrated at head-quarters, at Tooting, Islington, Brompton, and elsewhere; there are small hand engines; but I would reverse the present order of things. I should make the districts considerably smaller, and place hand engines in and out between, so that there might be something doing while people were waiting for the steam engines. The ancient Romans provided that everybody should have the means of extinguishing fires in the house; now, here we distribute about one engine to every three or four miles.

118. The American system, which you commend, is a districting system, is it not?—Yes; I have seen the whole system at Portland and Boston.

119. You think it far superior to our system?—Yes, far superior. There is, strictly speaking, less respect for individuals. If next door is on

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fire, they do not ask you any questions, but they go through, and then, if there is any damage done, they compensate you; but the idea is, that no body of people have any right to suffer for any one individual blocking the road.

120. You say, also, that the system in Paris is superior to ours?—Far superior.

121. Why do you think so?—Because it is more distributed; you have a less distance to run for an engine, and more certainty of getting one when you get there. If a fire breaks out on this spot, how do you know that the engine at Horseferry-road or Chandos-street is in; there is no means of ascertaining; and while you are finding that out, the fire is still going a-head.

122. You say that there are 1,250 men employed in Paris?—Yes.

123. Who pays them?—They are paid by the municipality, by a certain charge, and then there is a certain number of firemen at every theatre, and they contribute a quota. You cannot open any place of amusement without two firemen or one fireman, as the case may be, being there.

124. Is it not the case that the number of engines that go to any individual fire is regulated at the head office in London?—I doubt it, or else why did that case occur at Kensington, that came under my observation; there were five or six brigade engines and two or three parish engines to extinguish a chimney on fire. I cannot imagine what business a steam engine had at a chimney on fire.

125. You think whatever may be the law, that practically, it is not worked out?—No, certainly not; the law has taken things as they are, and endeavoured to perpetuate them without due consideration. When the Board of Works took the matter in hand after eighteen months' waiting, we hoped to see great progress, but it has not yet been realised. What is the good of putting four or five steamers on one station, instead of distributing them.

126. Have they power under the new Act to distribute them?—Yes; they have the power to take steps for their distribution.

127. What stations have you alluded to as having two steam-engines?—Chandos-street and Watling-street; Watling-street, I think, has four, and I believe that Waterloo Bridge has two, but I have been too busy to look to that lately; and they are altering constantly; I know that manuals have been taken away and steamers put in, and also manuals placed where steamers should be.

128. Mr. *Agar-Ellis.*] Do you know any station where there is a steam-engine without a manual engine?—Baker-street has a small engine; a baker's cart they call it, but they have a steamer.

129. Do you know of a station where they have a steamer without a manual engine?—No, I think not, but they have made many changes during the last six or eight months, though I see no real progress.

130. You say that there has been a good deal of change with, you think, little improvement?—There has been very little change for the better.

131. Mr. *Kinnaird.*] You say that there is a great deficiency of water in Paris?—Yes; that is to say, the water supply does not pervade the whole of the town. There is a list of all the plugs in Paris where you can get water, but, of course, the water carriers have to lend a hand whenever they are called upon to attend a fire.

132. But with all those comparatively inefficient means, you still think fires are better managed and better put out in Paris than they are here?—Yes; their system is superior.

133. We have abundance of water in England, have we not?—Yes, as a rule; the superintendent in Paris said to me, "If we had only, in Paris, the supply of water that you have in London, we should not have such fires as we have." I said in reply, "And if we had you in London, along with all our water, we should not have such fires;" "Précisément," he said.

134. Are there any other suggestions that you wish to make with respect to the difficulties of what you call arson or incendiarism; in America or Paris is there anything which you would recommend for our adoption in England?—I think a plain clothes policeman is a great help; in Paris you do not know who is a policeman and who is not, and it is the same in America, and the knowledge that anybody whosoever may be employed to lock a man up does a great deal to keep a man in check; I think that a plain clothes body of policemen, whose duty it would be to investigate all fires, would do a great deal in the way of prevention.

135. Do you think that an inquest held on every fire would be a good thing?—Yes; every fire is a large way of putting it, but, undoubtedly, prevention is better than cure.

136. And you think that the expenses ought to be paid for by the municipality?—Certainly; out of the rates and taxes; it is not a question for one individual more than another, because fires are just as often of uninsured property as of insured property.

137. You think that there is a great deal of wrongdoing which escapes detection here, because the officers do not find it their interest to prosecute?—Just so; it is a very serious matter for any one to prosecute another, unless there is undoubted evidence, and the difficulty is to get it, for the firemen dare not open their mouths. They are generally of that class of men who do not know anything, especially now, when they are chiefly boys of 18 or 19.

138. In fact, you would connect with each engine somebody in the nature of a policeman, whose duty it should be to investigate the history of fires?—Yes; I think we should have a fire police, whose duty it should be to assist in investigating cases of fire.

139. What was the fire at Tooting to which you have already referred?—It was the case of a public-house being burnt down, four people being burnt in it. They could not get the parish engine to work, for they were trying it with the suction cock shut, and before the London engines could get there, the place was burnt down.

140. With regard to the stowing of jute, how do you think that can be avoided?—It is of no use to limit the size of a room if you do not limit or regulate the stowage of its contents. Why should there not be proper yards for jute and nothing else, where it might be stowed in such a way that you might walk round it, or through it.

141. Is it a well-established fact, that jute is peculiarly liable to spontaneous combustion?—Yes; especially if it gets wet; there was a fire at the other end of the town, Davis's wharf, I think, where there is no doubt the fire originated in the falling of some damp upon the jute; all men who have dealt with jute say that damp heats

heats it, and we know that that is the case with hay.

142. Mr. *Lusk.*] You have stated that you think the existing facilities for extinguishing fires are insufficient?—Yes; we have not enough of them.

143. In what respect have we not enough?—Supposing we divide London into squares of a mile each, it is not merely a question of the amount of power which may be available somewhere, but of the means available on the instant at the closest possible point to the fire. If there is a fire at Vauxhall, the place will be nearly burnt down before an engine from Waterloo-road or Watling-street could reach it. What I want is, such a relative subdivision of district and location of power, that within three or four minutes extinguishing appliances might be found handy, and that the means of giving alarm should be as close as possible to the nearest fire engine station. What is to prevent the present fire brigade from extinguishing fires pretty well as they occur.

144. As a general rule, does it not extinguish fires as they happen; I mean, confine them to the house where they begin?—When a place has been burnt down, they succeed in preventing the fire going anywhere else; but there is, in fact, a regular formula in every newspaper account of a fire something like this: "In spite of the strenuous exertions of the fire brigade, the progress of the devouring element was so rapid, that in a short time the premises which first took fire were totally destroyed."

145. You think its use is limited to confining the fire to the building where it breaks out?—Yes; if it is a small house, but not if it is a dock, or any large place.

146. And the remedy you propose would be an immense increase in the number of engines?—Undoubtedly.

147. *Chairman.*] And of stations also?—Yes; even a hand-pump is of use; and if a thing is worth doing at all, it is worth doing well.

148. Mr. *Lusk.*] Do you know that there were formerly small hand-engines in every parish?—Yes; but nobody was appointed to look after them.

149. But you are aware that there were an immense number of them.—Yes.

150. And the man who was first at any fire had three guineas.—Yes.

151. But in spite of the activity with which that system was worked, it was thought better to do away with it, and have larger engines on the present system?—Yes.

152. How do you account for that?—When the old small engines were taken to a fire they very often would not work. I know they were often brought up by a lot of boys; and in one case it was a woman. The system was found inefficient, and the insurance offices then commenced the other system.

153. You think that a regularly organised system of brigades is the best thing for extinguishing fires?—Undoubtedly.

154. Something like what we have in London?—Only much more extended, for the outlying districts, who pay for protection, do not get it.

155. You say that there is much difference in the way in which the men are instructed for their duty; who do you think should instruct them?—Some one who is skilled in the subject.

156. Do you not think that the London men know the subject?—There are some first-class men in the London Fire Brigade, no doubt.

157. And are not the men instructed?—There is some instruction, but it does not seem to amount to much, because the men are so often changed.

158. But men have come before me who have been 20 years in the brigade?—Yes; there are some first-class men in the brigade; I am not running it down.

159. Do you think that such a man as Captain Shaw, or any man like him, cannot instruct the men in their duties?—Captain Shaw has now had a certain experience, but he had had no experience previously. As to the late Mr. Braidwood, he was born a fireman.

160. Do you think that the present fire brigade is not thoroughly instructed in its duties?—In the science of fire extinguishing, certainly not. If you look at the manual of the French brigade, I think you will see that we are a long way behind them.

161. You think that the present system of giving notice of a fire is not adequate?—Just so.

162. In what respects?—In respect of the means of giving alarm; if you have a horse or a cab you ride to the nearest station, if not, you walk it; whereas if all the districts who were entitled to protection had instantaneous means of communicating with the engine stations, they would be getting the benefit of the protection that they are paying for.

163. But all the police stations have telegraphic means of communication, have they not?—Not to the fire brigade.

164. Are you sure of that?—I am not aware of it.

165. Are you aware that the telegraph is worked at all the stations?—They have Wheatstone's alphabetic telegraph.

166. Do you not know that there is a regular system of telegraphing to all the stations?—I know that there is a system of telegraphing from station to station, but that does not touch my point. What I mean is, that every district should have the means of alarming the nearest fire station without going to that station.

167. If a fire occurs at night what means are there of giving notice of it, except that a passer-by may make an alarm?—In New York the police have the key of the telegraph box, and here the fire-escape men have stations which are not always near the engine station, and with a little system the means of giving alarm may very easily exist; we might obtain a very efficient means of giving the alarm.

168. But I think we find that, as a rule, the policemen give information of fires now?—Not always. The rewards that used to be given are abolished.

169. Have you not seen hand fire engines sent to a fire, and put it out?—Yes.

170. Do you think that the use of hand engines is right?—Quite right, if we use the hand engines rightly, and the steam engine rightly. But we do not take a steam hammer to crack a nut. When a man who has seen a fire goes to the engine station, they ask him what he saw, he says "Oh, a chimney on fire," perhaps. Then they say "What did you see," he says "I saw a lot of smoke, and I saw flames;" all this takes place while the engine is being put to; and that is the way they get their information.

171. Do you know that the premiums of fire

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insurance are very high in America?—Yes; and incendiarism has nearly ruined the insurance offices; they will not look at insurance business in America, they are quite frightened at it.

172. The offices in London have agencies in New York, have they not?—Yes.

173. If they have, as you say, a better system in America for extinguishing fires, how is it that the insurance premiums are higher?—The buildings are different from ours, and in a good many cases risks are taken for the mere sake of doing business. I can mention cases where insurance offices have gone in for competition sake only.

174. I thought you said that the system of extinguishing fire in America was better than ours?—In Paris it is better, and in some parts of America; but in America, as a rule, the competition is the great cause of loss by fire, because the offices take risks which ought not to be taken.

175. When you say that fires have increased very much in this country, are you certain of that?—I have not read the report of the fire brigade of last year, but in the previous year they had increased, I think, 300 or 350 over the year before. There has been a regular increase since 1832.

176. Do you not think that that may be rather from the existence of a better organisation for finding out fires than from any actual increase, just as people think that crime is increasing, when it is the means of detection which have been increased?—The number of fires of unknown or suspicious cause is much larger. I hear more of them now than I did formerly.

177. Do you think it is right to come to the conclusion that a fire, of unknown cause, was intentionally set on foot?—When fires occur, which the men admit they cannot account for, and which they say are very suspicious, I think we may assume that incendiarism is rather on the increase.

178. I think you mentioned carelessness as coming under the head of incendiarism?—Yes. If a man knows that there is a barrel of gunpowder in the room, and smokes his cigar there, I consider that his carelessness is as bad as wilfulness.

179. You mentioned as having seen in the brigade a good many lads of 18 and 19?—Yes. I was at the Crystal Palace fire, and I saw three or four boys who were mere shrimps, hardly able to stand, being knocked up by the work, and one of the men of the brigade said to me, "See what we are come to."

180. Mr. *Miller.*] What were the boys doing?—I do not know; but they were in uniform, and they were employed by the brigade.

181. Mr. *Lusk.*] You mention that merely as a matter of fact?—Yes.

182. But would you be surprised to hear that, in an official capacity, I had the other day a number of those men, all of mature years, before me?—The men that came before you officially would be such men, as a matter of course; but if you attended fires you would notice what I have spoken of.

183. Lord *Richard Grosvenor.*] Is it always the foreman and mature men that are sent in such cases?—I always understood that they went to the police courts.

184. Mr. *Lusk.*] Do you think that fires in chimneys are on the increase?—Yes; undoubtedly, but I think that the returns do not include chimneys. Technically, a fire is where it is through the roof, or affects the whole of the building. Captain Shaw does not include chimneys in his last return.

185. *Chairman.*] I find, upon the returns, that there has been a decrease of fires in the metropolis in 1866, as compared with 1865?—I have not seen the last year's report.

186. Mr. *Leeman.*] Have you had any personal experience of fires in the country as distinguished from the Metropolis?—I have seen one or two in Devonshire, where my father was rector, a farmhouse or two; and I saw in the country a serious want of the means of extinguishing fire. You will find in my book a town of 2,000 inhabitants, where there was no fire engine within 20 miles.

187. As far as the agricultural districts are concerned, would you suggest any new legislation upon the subject; would you propose to make provision for cases of fire imperative upon the parishes?—I should very much like to see that done.

188. Whom would you, in such a case, direct to work the engines?—Those people who are most likely to be constantly on the spot. You generally find there are people of that class; in my father's parish there were some people that had never been out of it for three or four years at a time.

189. Do you know how the police are employed in the agricultural districts?—At every police station they might have an engine, or a hand pump there, or something of that kind; but in the country there is this disadvantage, that you would not always find regular means of water supply.

190. But in most villages you have the pond, have you not?—Yes.

191. Were you consulted at all with regard to those incendiary fires that happened down in Yorkshire, the winter before last?—No; but I had it brought under my notice by some friends of mine, who got up in consequence an incendiary fire association to put fires out.

192. Where is that?—I think I have returned it in my list of volunteer brigades in my book as Thealby, in Lincolnshire.

193. As I understand you in the evidence that you have been giving, you have been speaking mainly of the metropolis?—Certainly.

194. And that the complaints which you make, with regard to non-enquiry into fires and their origin, are confined mainly to London?—Yes.

195. But are you aware that in the different counties it is not only the business of the police, but that the superintendents of police actually now attend fires, and that they consider it part of their duty to be present?—Yes; no doubt every man seeing a fire would feel it his duty to put it out; but I am not aware that the police have any actual orders to do so; in fact, the increase of volunteer brigades in the country seems to show either, that they do not act up to the point they should do, if it was their duty, or else that it is insufficient.

196. Have you seen the reports made to the Quarter Sessions on this subject?—Yes.

197. Are you not aware that the chief constable of every county in the North of England, makes a report of every fire that happens during the quarter, the origin of the fire, and the steps taken for its extinction?—I was not aware of that, but I am very glad to hear it.

198. You

198. You took us back to the ancient Romans, and said they were bound to have an engine of some kind in every house?—They were bound to have a machine for extinguishing fire; it was in proportion to the style of house; "Sipho," I think, was the term.

199. Did that extend to every house?—Yes.

200. You seem to have an opinion that hand engines are in many cases more valuable than steam engines?—It seems to me that we should endeavour to produce the greatest results with the least outlay; one neighbourhood may be as well or better protected by a hand engine than a steam engine.

201. Have you seen lately the hand engines which have been shown at many agricultural meetings?—Yes.

202. Intended for applying chemical preparations?—You mean the extinction affairs.

203. Yes?—I think nothing of them; under certain conditions, such as a fire in a cellar, or a box, or where the external atmosphere is kept away, they may be efficient, but where you throw the gas into the open air they are totally inefficient.

204. Have you seen them at work?—Yes. I know so many cases of their failure. I believe that Gravesend has three or four of them, and that they speak rather highly of them; but I believe from what I can gather that they have been used chiefly in cellar fires.

205. Suppose a fire to happen in an ordinary sized house, do you mean to convey to the Committee that those engines would not be found to be exceedingly valuable on the instant?—I should try them, but with regard to relying upon them, or considering them as good as other engines, I should not do so.

206. Do you suggest that the coroner should be called into requisition in case of every fire?—Yes.

207. Although the cause of the fire may have been perfectly clear?—It should be done as in the case of inquests now; if he is satisfied of the case of death he certifies without an inquest.

208. Mr. *Read.*] Your observations are confined to the urban, and not to the rural districts?—It is to the existing state of London itself that most of my observations have had reference, but I look far beyond that, as I think that the whole country requires the means of extinguishing or controlling fires to be put on a sound footing.

209. You stated that the quantity of unaccountable fires has much increased?—Yes.

210. You thought that a great portion of those unaccountable fires originated from incendiarism?—Part arises from it, the insurance offices say that nine out of every ten may be put down to that cause; I have seen that in print, in the "Insurance Record."

211. You would not say that nine out of ten fires in the country, the origin of which cannot be found out, are caused by the farmers setting fire to their own stacks?—Not by the farmers. God forbid that I should say that of any man. But we know that fires do occur where it is very difficult to account for them; they may have been done by parties ill-disposed to the farmer, or they may have been done by the farmer himself, but I do not think that it is done, except in cases of great spite.

212. But you are aware that the agricultural produce is not under the supervision of the farmer?—Yes, I am aware of that.

213. Did you ever know any good done by the use of a little garden engine, called a hydropult?—It is simply a hand pump; I go more by the returns of the volunteer brigades; the London Fire Brigade system is not quite efficient. The French Fire Brigade Department knows how every fire is extinguished, the number of engines attending, and what other engines did, and you would be surprised at the amount of fires knocked out with hand pumps by the volunteer brigade before the large engines get to the fire.

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214. You think that those little instruments kept by private individuals might be useful?—Undoubtedly; no house should be without some readily available means of extinguishing a fire. The only objection with regard to the hand pumps *per se* is, that you have not always got the water, but if you can get the two things combined in one operation, that is the right system.

215. Mr. *Miller.*] You have referred to the burning of the "Etna" floating battery?—Yes.

216. Where was that situated?—At Millwall.

217. What was the use of it?—It was for the Crimean War; there was the "Etna" and the "Trusty," and there were four or five.

218. Was it destroyed in consequence of the deficiency of assistance?—In a measure, it was; there was the whole of that yard swept under the ship, and there was not so much chip or sawdust as would go in a hat, and, in spite of all, she got on fire; her brass screws melted, and she ran off her ways out into the river.

219. Was she launched?—No, she was to be launched the next day.

220. But had you no engines to play upon her?—Yes, but everybody was paralysed; everybody ran wild; the volunteer engine was the first to come in, but the fire went on with an enormous rapidity; the ship was on the stocks, and she launched herself right into the river; it was low water at the time.

221. Reference has been made to the increase of fires during the last year; you think that there has been a great proportionate increase?—Yes.

222. Have you remarked that that increase has been confined to any particular description of property, such as warehouses or private houses?—I think, within the past year, warehouses have been less heavily visited by fires than they were a year or two before. The Southwark-street fire was the last big "fireproof" warehouse fire; but I think that there are a good many more shops burnt than there used to be.

223. Do you think that that applies to private dwellings as well?—No, I think not, taking into consideration the great number that you would expect, looking at the enormous amount of them.

224. Are you of opinion that that increase is attributable to any other cause than to incendiarism or arson?—There is a great deal of it attributable to the increased use of chemical materials and inflammable oils, and carelessness in the use of gas.

225. Do you think that gas is safer in private houses than candles?—Undoubtedly.

226. With regard to matches, do you think that they contribute greatly to conflagrations in private houses?—Yes; people will leave them on mantelpieces, and they get hot and readily ignite, or people tread upon them.

227. Is it within your knowledge that labourers at the docks have all, more or less, possession of matches which they carry in boxes?—Yes; it

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is not an uncommon thing to see them put a pipe alight into their pockets.

228. Do you know the telegraph system in France, and what means they have of observing a conflagration when it takes place in different parts of the city?—They give us the whole system in the book which I have produced.

229. I suppose you are acquainted with the system adopted for the discovery of fires in connection with the telegraph system in different towns on the Continent by having towers erected over the police offices?—Yes, and means on the church steeples, and elsewhere.

230. That is not at all adopted in London, is it?—No; I believe that at the Chandos-street station they have got what they call a look-out, but in a London fog you should be very much higher up.

231. Is it not the fact, that in Vienna and other towns there are regular towers in every police-office and communications within easy sight of each other?—Yes; in Russia and certain towns in America it is the same; I think that by examining what other countries are doing, and taking what is good out of each, it would be a very easy thing to develope a very efficient system for the whole of this country.

232. Are you aware whether there are any volunteer engines in Paris available for the extinction of fires?—Certain workshops and factories have engines, but in France there is no provision for paying the men working the engines; they make it compulsory on everybody; they collar any man who is passing, and make him work the engines; the consequence is, that you will see lots of people running away when there is a fire.

233. You say that there is no provision made for paying those volunteer brigades?—There are none in Paris; there are no rewards in France; they make the public good their rule.

234. Are there any engines in existence in the possession of private parties?—There are several in the communes and the outlying borders, volunteers.

235. They are not rewarded by any premium for speedy arrival, are they?—No.

236. Nor yet in England; private engines get no reward in England, do they?—No, not in London, now under the new Act.

237. Is it your opinion that the system has been rendered more effective since the arrangement of the fire brigades was taken out of the hands of the insurance offices and put under the charge of the Metropolitan Board of Works?—At present I do not see that we have derived any benefit in accordance with what we were entitled to expect from the passing of the Act.

238. Do you think that there has been no advance in efficiency since the passing of the last Act?—I think not.

239. You think that the engines were quite as efficient under the charge of the insurance offices as they are now?—Yes, and more so; in those days there was a reward; the engines went smarter, and put the fires out quicker; there was less fire damage.

240. There has been an increase in the number of engines since they were put under the charge of the Metropolitan Board of Works, has there not?—Yes, there are a great many more engines, no doubt, but I cannot say that we are more efficiently protected because they are all concentrated; they are not thrown over the metropolitan district.

241. But the number of engines has been increased in all the police stations respectively, has it not?—Yes, but what I mean is this; no doubt, say within the other end of Waterloo-road and Peckham, there is an engine or two more, but that is not the protection that is wanted; the system should be much more largely developed than it is at present.

242. You are of opinion, I think, that taxation, for the purpose of extinguishing fires, should be put on the rates?—I think where it becomes a question of insurance, where the insurance offices reap a benefit from other people's taxes, they should contribute their quota, as they do now; but as everybody is interested in the extinction of fires, whether he is insured or whether he is not, I think that all parties should bear a portion of the cost of keeping it up.

243. But the proprietor of a house who is not insured, has more interest in fire prevention than one who is insured?—True; but it is very few even when they are insured who come out gainers.

244. Do you think it fair that a tax should be put indiscriminately over all the property of the parishes, among those who have insured and paid their premiums, as well as upon those who pay no premiums?—We maintain the police to keep us in order, and we all pay the rate there for the benefit of us all, and in the case of the poor's rates we do the same; I think that fire protection comes home to us all, and each should bear his quota; of course some have more interest in having a fire put out quickly than others, but I think that that question might be easily adjusted.

245. With regard to jute, is it within your knowledge it has been ascertained that jute is more liable to spontaneous combustion than other goods of a fibrous character?— Yes; I have heard that jute is the most inflammable thing that you can have; everybody says that the least damp coming on jute makes it go off of itself.

246. Mr. *Turner.*] I gather from you that, in your opinion, fires have increased greatly both in the metropolis and in the country?—Yes, fires are decidedly on the increase.

247. You say that, not only from your own knowledge, but from information which you have obtained from other parties well acquainted with the subject?—Yes.

248. And you also think that the difficulty of ascertaining the causes of fire has greatly increased of late years?—Yes; there is no attempt made to investigate the causes of fires at all; those that they cannot see at once the cause of are classed as "Unknown," but I think that it is very desirable that there should be an attempt made to investigate them.

249. Is not one cause why that is not attempted the fact that there is no person who has any power to carry on such an investigation?—Yes; the Coroner of the City of London had that power once, but as they would not pay him his fee of two guineas he did not go on with it.

250. But I suppose that he had no power to compel the attendance of witnesses, or to compel their giving evidence, had he?—I do not know, but I am told that he gave it up because they would not pay his fees.

251. But he had no power to compel the attendance

attendance of witnesses to give evidence?—There is no recognised fire inquiry head, as you may say.

252. If that be the fact, is it not a sufficient reason why a coroner's inquiry is not held?—Nobody seems to take the trouble to go into it.

253. The Honourable Member for York asked you whether you are not aware that it is the duty of the chief constable of the county to investigate the causes of a fire; are you aware of that?—I am not aware of it.

254. But supposing it to be his duty, if he has no power to compel the attendance of witnesses, that impedes investigation, does it not?—Undoubtedly; the chief constable would only give in his report and say, "From what I can gather, I think so and so."

255. In fact, any evidence given must be perfectly voluntary?—That is the case.

256. I understood you to say, from your own knowledge, and from information which you derive from parties well acquainted with the facts, that, in your opinion, one very great source of the increase of fire was incendiarism or carelessness?—Yes.

257. In a case of incendiarism, would not it be particularly necessary that parties should be compelled to give evidence who may be in the house and acquainted with it?—Yes.

258. Would it not be futile to hold investigations unless you had the power to compel the attendance of witnesses, and to compel them to give evidence?—Quite so.

259. To put it shortly, if there was any power to compel the attendance of witnesses, and to compel them to give evidence when they did attend, your opinion, gathered from your own knowledge, and from that of other parties, is, that the effect would be to diminish the number of fires?—Yes, undoubtedly.

260. The knowledge that such an investigation would take place, would conduce to more carefulness, and deter parties from doing so, who might be inclined to set fire to their premises?—Yes, undoubtedly. The result of the United States shows that it would be the case here.

261. May I summarise it in this way: that on the occasion of every fire it should be the duty of the police to report the fire to the coroner, or some authority appointed in every district for that purpose, and that it should be the duty of such coroner, or other party, to investigate the origin and cause of such fire, with power to compel attendance and the giving evidence, by all parties whom he may summon for the purposes of such inquiry?—Certainly.

262. You think that such a course of proceeding would conduce to diminish the number of fires and to the safety of the public?—Undoubtedly.

263. Mr. *Whitmore.*] Why do the brigade engines keep off the volunteer engines at fires?—Because there is that feeling that, as paid men, they have the monopoly.

264. But they have no pecuniary interest in sending them off?—It was like this: under the old plan, the first engine got the reward; and if the volunteer engine were first they got the reward, which the paid men thought they ought to have.

265. But by their sending away the volunteer engine the reward was gone?—Yes; they took the same plug, and claimed it as a right.

266. But could they get the reward?—No; it was a piece of jealousy.

267. Were you present at the fire at Tooting?—No, but two friends of mine were present.

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268. Will you give their names?—The name of one was Mr. Field, the engineer.

269. Suppose you had been present at that fire in a suburb like Tooting, how would you have proceeded to give an alarm?—The first thing I should do would be to take a look at the fire, and see what was best to do. I should know that there must be water somewhere; I should get buckets and ladders, and do the best I could.

270. Would you try to get any assistance from the metropolitan fire engines?—I should instantly send on for the nearest engine.

271. How would you do so?—By the first man I could get.

272. On foot?—On horseback, if I could get a horse.

273. Are you aware that in Australia inquests are always held after fires?—I am not aware that such is the case. I have some friends from Australia who are in a volunteer fire brigade, and I see that the volunteer system is extending considerably in Australia.

274. Mr. *Beach.*] You have stated to the Committee you consider the reason for the establishment of volunteer fire brigades in New York arises from the extremely unsubstantial nature of the buildings?—There is a great deal of wood used in the construction of the buildings in New York.

275. And, consequently, in any district of England where the buildings were of the same nature, fires would be equally likely to occur, would they not?—Certainly.

276. Are you acquainted with Aldershot?—I am; I sent an inquiry paper to Aldershot, but it was not returned.

277. You are aware that several fires have occurred there lately, I presume?—I am aware of that.

278. And that a great anxiety exists amongst the inhabitants of the district for a complete investigation?—I understand so.

279. One objection to the proposed plan of an examination by a coroner is, that the coroner has at present a fixed salary, and that if his duties were increased it would be necessary to increase his salary?—The coroner is the person who is most accustomed to examinations of this description; but I would not say that the coroner whose duty it might be to examine into fires should attend to everything else as well, for I believe, in some districts, there would be almost work enough for him on fires alone. Reports are now made out of the fires that take place, and it might be thought that we should profit by the facts that we gained. I have had the futility of such a course remarked upon to me with reference to the present system of the Board of Trade in respect to railway accidents; when there is a railway accident, they say that the Board of Trade goes down and writes a report, and that is all that happens. There is no anxiety to rectify the causes that produce them; that remark is just enough in that case, but I do not think that it would exactly apply here.

280. Mr. *Horsfall.*] As an illustration of the inefficiency of the London Fire Brigade, you mentioned the fire at the Crystal Palace, did you not?—I did not refer to the inefficiency of the brigade *per se*, but to the defects in giving alarms, and the difficulty of reaching the fire-protection, I would say.

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281. Do the duties of the London Fire Brigade extend to Sydenham?—I think the boundary line goes through one-half of the Crystal Palace. If I am not wrong, I think the boundary line of the metropolitan district goes through the centre transept of the Crystal Palace.

282. Do you think it is desirable that it should extend so far?—The fact is that it is all London now; it is difficult to say where London stops or begins, and therefore I would bring it all under one system, as far as I conveniently could.

Mr. George Adam Young, called in; and Examined,

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283. *Chairman.*] You are a practical Builder, I believe?—I am, and a surveyor also.

284. Are you surveyor to an insurance office?—Yes, I am.

285. To what office?—The Imperial Fire Assurance Office.

286. I presume you have had great experience as a builder and as a surveyor?—I may say that I have been brought up in it; my father held the same appointment in the year 1803, and it has continued from him to me downwards to the present day.

287. Will you give us an idea of how many years you have been so engaged?—I should say myself 40 years; I am upwards of 60 years of age.

288. Will you kindly state to the Committee what are your duties as surveyor to the Imperial Fire Office?—My duties are to inspect the risks that are offered for insurance; if they are considered of sufficient importance to be inspected, which the great majority of them are, I do that by myself or by my assistants, and make a written report in each case.

289. Do you make a report upon the risks before they are accepted by any insurance company?—Yes, I do that; and the rate of premium is fixed upon by my report. When a fire occurs I, as a practical builder, repair the damage, if the damage is less than the amount insured. Those cases amount to a large number in the course of a year.

290. How many cases would you have, in the performance of your duties, in the course of a year?—I have looked at my account for the last year, and I find that there were 102, and the average damage was small. I think the whole amount was a little upwards of 7,000*l.*; that is about 70*l.* for each fire.

291. And in what kind of buildings do you find the fires most frequent?—They occur in every kind of building, but they are very much less frequent in ordinary residences. In ordinary residences a fire is a very rare occurrence.

292. In warehouses do you find them very frequent?—Serious fires do take place in warehouses.

293. In buildings, where shops and dwelling-houses are combined, do you find fires as frequent as anywhere else?—They very frequently take place in small shops.

294. More frequently than in other buildings?—More frequently than in dwelling-houses, and frequently in manufactories; the rate of premium varies; the worst insurances are theatres and saw-mills; some offices do not take them at all; they are as high as two guineas premium.

295. After a fire has taken place, I presume you often inquire into the causes of the fire?—If I visit it myself I invariably ask what the cause of the fire was, or I instruct my assistant to inquire.

296. But, besides asking, do you make any personal investigation?—It is not my duty to do so, but if I find a suspicious case I communicate with the office and take every trouble to get at the facts.

297. Have you had, in your experience, any suspicious cases of incendiary fires?—Some quite certain cases.

298. In such cases as that, how do you act?—I will illustrate that by one case, without mentioning the names. A fire was reported, and it was my duty to visit it; it was reported to be an incendiary fire, and it was supposed to be so; the superintendent of the town department went with me, and we found at two totally different places a train laid, and the fire had occurred, but it had been got under pretty soon, and there was not much damage done. The fire offices do not prosecute under these circumstacces, they do nothing but answer to the claim in general; if there was a clear case of arson, they would proceed, but they had no information; it was evidently an incendiary fire, but who was the incendiary, was not equally clear. The fire office did nothing, and we felt it our duty to go to the parochial authorities; we went to the vestry clerk, and he would not interfere; so that, in fact, nobody interfered, and we felt as I feel now, the great want of some sort of public prosecutor whose duty it would be to interfere when an incendiary fire took place.

299. In that case did the person whose property was insured enforce his claim?—No; I do not think he made any claim; he made no claim to my knowledge; it is some time ago, and the circumstances are not so accurately upon my mind as they were then; but to the best of my belief he made no claim.

300. But he was quite aware of your discovery of the trains of inflammable materials?—We told him that we had seen them, and he was very silent on the subject. His own daughter was injured by the fire; she ultimately died. There was a coroner's inquest, but nothing came of that.

301. There was no investigation into the cause of the fire, even though that girl died?—To the best of my recollection, there was nothing; and the coroner's inquest passed off quietly with the verdict of "accidental death."

302. Then the conclusion to which you come is the necessity of having some tribunal before which the causes of all such fires should be examined into?—It is where there is a suspicion; but I think it would be too cumbrous a business to have an inquiry upon every fire which takes place where the cause is clear and evident.

303. Before what tribunal, at present existing, would you bring such cases?—I know of none at present.

304. Do you think the coroner would be the proper individual to investigate into such cases?—I really am not prepared to give a decided opinion upon that, but that there should be some investigation I am prepared to say.

305. There is a necessity for a judicial investigation

gation into all fires the causes of which are suspicious; that is the conclusion at which you have arrived?—Yes. If you will allow me, I would say that the offices, although they are commercial bodies, and it is not strictly their duty, yet, where they get clear information of arson, they prosecute. Last year, the Imperial Fire Office, after they had paid a loss upon a fire, got information from one of the delinquents, who gave evidence against his accomplices, which was so clear that they prosecuted for arson, and prosecuted to conviction, and the parties were sentenced to penal servitude.

306. Lord *Richard Grosvenor.*] That was not in the metropolis, was it?—It was in the metropolis, in Somers Town. I may give the names now, because the thing has been made public; it was a cheesemonger's or chandler's shop, or something of that sort. My clerk inspected it; I did not; and it was discovered that the goods had been taken away before the fire, and they traced the goods.

307. *Chairman.*] But are you clearly of opinion that it is not the business of any insurance company to conduct an investigation after a fire?—It would be very impolitic for them to do so; the less law the companies have to do with the better.

308. You regard them as strictly commercial companies, and that they ought not to have any such power granted to them, as that of having a judicial investigation?—Certainly, they ought not to have the judicial power; it ought to be in the hands of an indifferent person.

309. As a builder, I presume you have had a good deal to do with the Building Act in the metropolis?—I have had a good deal to do with it; it is very fertile of disputes in cases of fire.

310. Are you of opinion that the provisions of that Act are not generally carried out?—I think that they are generally carried out, and fairly carried out, but that there are some grievous exceptions.

311. Whose fault is it when these exceptions occur?—The district surveyor's.

312. Do you think the district surveyor is sometimes lax in performing his duty?—I think that they generally do their duty fairly and judiciously; they must sometimes exercise a little harmless license, but there have been some gross cases of neglect on the part of district surveyors discovered.

313. They are quite exceptions, I presume?—They are quite exceptions.

314. Do you know of any of those gross exceptions; have any of those exceptions come within your experience?—One very gross one has come under my knowledge; I surveyed for the insurance office a building where I discovered that a flue had been added, which passed in dangerous contiguity to the timbers. There is an express provision in the Building Act that no flue shall be laid within a certain distance of the timber, I think 12 inches. In this case the flue had been brought to the timber; it had been added. I wrote to the district surveyor, and he took no notice. I ultimately wrote to the Metropolitan Board; they pursued an inquiry, and I attended upon them, and they said: You must show us the actual timber before we can deal with the subject, and then we will deal with it; otherwise, they positively refused to deal with it. I, with a great deal of labour and trouble, got the assent of the ground landlord, and, with a great deal of difficulty, he persuaded the occupant of the house to allow us to examine it; I undertook to pay all expenses of cutting open the wall and showing the timber. I cut it open, and exhibited the timber, and the Metropolitan Board surveyed it, and admitted the fact. I attended upon them, and they said that they would take counsel's opinion upon it; they took counsel's opinion, and their written answer to me was, that they should take no action in the matter, and the building now remains to this hour, I believe, a lodging-house full of people, and loss of life may any day ensue.

315. Are there any more cases that you know of?—There are two more cases in the same street, I believe, but I could not get any remedy in the first case, and therefore I did not cut them open. I sent an account of that to the Home Secretary; I felt that there was a moral responsibility upon me if loss of life took place.

316. Are you of opinion that fires in small houses always take place in consequence of being constructed contrary to the principles of the Building Act?—A great many fires occur in consequence of the mal-constructed flues, and the stoves which they use; they shut in the heat, which passes up a flue that never was intended to receive such heat. I believe that cause to be a very fertile source of fires. Another source is the adding these flues to old buildings. Churches are often burnt down, and you would think that churches were the very last buildings to take fire, and these fires have arisen, from my knowledge, from carrying up flues against brick buildings, passing close to the timber. The church at Spitalfields was burnt down from a similar cause.

317. When you say close to the timber, do you mean in contact with the timber?—Near enough to the timber to set it on fire. I recollect three churches that were burnt down from this very cause.

318. Perhaps you can give us some information upon this point; that timber placed in the neighbourhood of flues, such as you describe, though not in contact with the flues, in a short time becomes liable to take fire almost spontaneously?—It becomes very highly desiccated, and rendered much more liable to take fire than if it were otherwise placed.

319. And how long do you suppose it would take, if a beam were placed about three inches from a flue, before it would come into that state?—I could not exactly tell how long it would take. I have a diagram here (*handing the same to the Committee*). That is a case that occurred; and frequently in old walls there are interstices to a considerable extent. I have known fires travel two feet in an old brick wall.

320. Mr. *Kinnaird.*] To catch hold of an old bit of timber?—To catch hold of an old bit of timber.

321. *Chairman.*] Have you turned your attention to fire-proof buildings?—I have. After the great fire in Tooley-street, I was employed by the West India Dock Company to revise the whole of their warehouses, and to make them more secure than they were; to divide them into reasonable-sized buildings, and make proper iron door separations, which I carried out both in the docks and in the up-town warehouses.

322. Are you of opinion that it adds very much to the safety of a warehouse if it is divided into a good many small compartments, instead of

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of being in one large building?—Yes, within certain limits; but the great object is a commercial object, to prevent too great a destruction of property: I have a plan here now of the Dock Companies' warehouses in Fenchurch-street (*producing the same*). There are several compartments, say, four in a warehouse, containing each perhaps 400,000 *l.* worth of silk; if these four compartments were all in one, and a fire took place, the loss would be enormous, but they are all divided as you see upon that plan, connected by iron doors, with staircases. I provided means of safety to life: if you would like me to explain the principle upon which these are arranged, I should be happy to do so. Here are a number of warehouses all communicating; there should be a certain thickness of wall; there is the plan with an iron door in each part; I have thickened out the walls where an aperture was necessary, and put a wrought iron door on each side; these communicate with stone staircases, and the stone staircases I consider it necessary should be sufficiently accessible, so that in any case when the warehouse was locked up at night, if a man happened to be locked up in it, he should have the means of escape. There is a staircase there (*pointing to the Plan*), and if any one of those warehouses were to take fire (they are very large warehouses) these inner doors which I have put no locks upon, open from both sides; there is a slit in the door, and the handle goes through, and if a fire occurred, a man could pass through there or through there (*describing the same on the Plan*), and get on to another staircase, and if he was locked in there, it is quite evident that he would get relief before anything could happen to him.

323. Do you approve of staircases generally in the inside of buildings; do you not find that they act as flues if a fire takes place?—I prefer them as they are at present. I consider that there is a great inconvenience in having them outside.

324. How thick do you make the partition walls; about two feet?—Not less than 18 inches or two feet three; they diminish as they extend upwards.

325. Are they made of brick?—Yes; I exclude wood as much as possible. The old-fashioned buildings included a good deal of wood in the substance of the walls.

326. Have you turned your attention to fire-proof buildings for dwelling-houses?—Yes; I think fire-proof buildings for some purposes are very good; but I doubt their utility in warehouses for the storage of goods.

327. I am speaking of dwelling-houses?—It is rather too costly for them.

328. You have not turned your attention to that possibly?—Yes, I have; it is not practised much in ordinary dwellings; it is practised in public offices.

329. Do you not think that that could be carried out in dwelling-houses, particularly in our large lodging-houses for the poor, where a great number of people are accommodated?—Yes, I think it might be done.

330. And how would you do that; would you do it in the same manner as it is done on the Continent, by concrete floors?—We frequently use wrought-iron beams and light brick arches, and cement flooring. On the Duke of Bedford's estate at the present time, his rule is, that the roofs are all to be made in that way; they are all fire-proof roofs. I have built several, and I shall build several more this year; wrought-iron beams, light brick arches, and cement flooring.

331. What is your opinion of iron roofs generally?—The ordinary iron pitched roofs for warehouses are not of good construction.

332. What is your objection to them?—My objection to them is, that by the expansion of the metal, the walls generally give way, and then the fire, if it is in the neighbourhood of other buildings, extends to them. That was illustrated to a most remarkable degree in the last fire that took place in the jute warehouse at the West India Dock. It was a large warehouse with an iron roof. The iron roof expanded, cracked the walls, and then fell against the walls and just did not push the walls down. If it had pushed the wall down, the fire would have extended along the whole quay and destroyed all the goods that were there, and, perhaps, might have extended to the shipping. They have decided to have no more roofs of that kind for that reason.

333. But is not the objection to the use of iron generally in building, the expansion of the iron in heat pressing out the walls?—I do not think that the fire-proof construction for goods warehouses, warehouses only for the deposit of goods, is worth anything, because the goods will be burnt. Clearly, if this room is fire-proof, and it is filled up nearly to the ceiling with combustible goods, it is of very little use for it to be fire-proof; the combustible goods will heat the roof, and down will go the arches: that is generally the case. I can give a particular instance. The late Mr. Cubitt had two buildings adjoining each other; one was fire-proof, and the other was an ordinary building. He filled them with joiners' work; a fire took place, the fire-proof one came down, and the other remained as it was, with the roof off.

334. As surveyor to an insurance office, I believe you have given great attention to the stowage of goods?—I believe I originated very much the importance of classifying goods; that is one of the most important things that can be done. I reported very fully upon that subject to the Dock Company and the Insurance Company, and they have adopted my recommendations. They used to store oil and cotton, for example, in the same warehouse; that is a most mischievous thing; a little oil over the cotton, and then there is a fire immediately. In the London Docks the goods were miscellaneously stored; each warehouse had some saltpetre in it; a fire took place, and each warehouse exploded in turn, so that the fire went on to the others; but store this saltpetre in one warehouse and the cotton in another, and the oil in another, and they will each be at their own risk; that system is adopted in the West India Dock.

335. Mr. *Lusk.*] That was ten years ago, was it not?—No; in 1862. I suppose it was in the year after the great fire.

336. *Chairman.*] If you had cotton stored in one compartment, and that was divided from the next by one of those partitions and doors, and the next was filled with oil, would you consider that perfectly safe?—Oil is harmless if there is nothing else stowed with it.

337. But supposing that a fire took place, either in the cotton compartment or in the oil compartment, would there not be a likelihood of its igniting the contents of the next compartment?—I should expect that my party walls were

were strong enough to resist it. Each compartment there is supposed to be a risk in itself.

338. There is no risk of the two coming in contact during the fire, is there?—We expect not; we raise the parapets a considerable height; that is another consideration.

339. You are aware that if sulphur and saltpetre, which you mentioned just now, were brought into contact, at a high temperature, they would be sure to explode violently. Now, supposing that these two articles were stowed in adjoining compartments, and a fire took place, do you think that there is not, even according to your own plan, a risk of their being brought into contact by the wall being knocked down?—Yes, there might be; I am not quite aware of the force of the explosion of saltpetre by itself. If the force was very great, so as to push the wall over, then, of course, anything that would push the wall down would have that effect.

340. You would consider that, in classifying the different materials to be stored in warehouses, it would be advisable to view the question chemically as well as mechanically?—To a certain extent.

341. And that those substances which, when combined, are apt to produce a great conflagration and explosion, should be kept as far apart as possible, not merely by a party-wall, but in compartments, as far as possible apart?—If they are goods of that nature that an explosion might take place, that would be so. I cannot understand one of these party-walls being demolished by fire; by explosion I can, but by the ordinary burning out of the contents, I cannot.

342. But the material itself may not explode simply by burning, but when you inject water into the building, the cold water coming into contact with the hot material may cause explosion?—That may be a chemical fact which I do not speak to.

343. Therefore, you are of opinion that it would be necessary, in classifying goods, that we should have the assistance of a chemist?—Yes, even in stowing goods in those warehouses I had some respect to that; I raised the sills of all the doors inclining upwards, because in case of any liquid being on fire, such as spirits, it would run under the door, from one warehouse to another. I think it did so at the St. Katharine's Dock. I think some spirits became on fire, and ran under the door from one warehouse to another.

344. Are you aware of any great increase of fires of late; I suppose you limit your remarks, first, to the metropolis?—To the metropolis. I go to the country occasionally.

345. Are you aware of there being a great numerical increase of fires in the metropolis of late?—I cannot say that I am, because in looking at that question, you must look at the increase of the extent of the metropolis. I think, although the business of the Imperial Fire Office is very much greater than it was when I first knew it (I cannot say in what proportion), the expenditure in re-instating fires is not much greater; that is a fact that must mean something.

346. Then, are you of opinion that the causes of fires are better known now than they used to be, judging from your experience?—No; I cannot say that I am; the causes of many fires are known, particularly small fires. A report comes into the office every morning; a tabular statement of facts, showing what time the fire broke out, what engines and what men attended, and what was the cause of the fire.

347. Who sends in that report?—The Fire Brigade.

348. Do they still do that?—I believe they do, but I am not sure since the Metropolitan Board has come into action; there is what is called a salvage corps, and I am not quite aware of their division of duty.

349. You have not paid attention to the organisation of the salvage corps, and the duties of it?—No; I know this fact, that they take charge of the ruin after a fire; and it frequently occurs, before I take possession to reinstate, that the goods must be settled for, and the officer of the salvage corps hands the building over to my custody; that is about all I know.

350. Do you think that the institution of a judicial investigation after fires would have the effect of reducing the number of fires?—I do.

351. For what reason?—It would have a moral effect against the crime of arson; I think so.

352. Mr. *Agar-Ellis.*] I did not quite hear all you said about wood becoming desiccated, perhaps I should call it charred?—Highly dried.

353. That, of course, makes it more inflammable?—It makes it much more inflammable.

354. With respect to hot-water pipes, did you ever know hot-water pipes have that effect upon wood?—Decidedly.

355. Can a hot-water pipe char a bit of wood?—I do not think it can. I have tried the experiment, and could never make it do so; it does not discolour the wood except it is quite close to the furnace; it will, within a foot or two of the furnace, but not after it has left the furnace any considerable distance.

356. Then, I presume that if it did so the hot-water pipe would become red hot; would it not?—I have never seen it red hot. I have heard of it, and upon every occasion that I have surveyed a building heated with the hot-water apparatus, I have investigated it pretty closely, and I have never seen anything like it; and I have had a great deal of correspondence on the subject; and it was reported that a fire had occurred at a place at Bristol fitted with hot-water pipes of Mr. Perkin's construction; but it turned out that they were not of his construction, but only an imitation. I think, generally speaking, hot water is perfectly safe.

357. With respect to stone staircases, of course you have seen a great many stone staircases that have been acted upon by fire; what effect does the fire usually have upon them; does it not very often crack the stones?—It must be a very fierce fire to do that. I think I may state broadly, that I think a stone staircase gives a degree of safety to a dwelling-house, much more than wood.

358. But in your experience you have seen such a thing as a stone staircase cracked by the action of fire, have you not?—I cannot charge my memory with having seen that.

359. Have you seen many staircases that have been acted upon by fire?—I cannot call to my recollection any case where I saw a stone staircase acted upon by fire.

360. A stone staircase of a house that had been what you call really burnt out; you do not recollect seeing such a case?—No; generally the stone staircase would be down amongst the ruins; the best part of the stone staircases in a good portion of the town rest upon what is little better than wood; in Russell-square, I believe, a great number of the stone staircases rest upon brick-nogged partitions.

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361. Then if you saw a stone staircase down in a house that was burnt out, you would attribute the breakage more to the faulty nature of what it rested upon, than to the nature of the stone? —That depends upon what it was made of; there is no question that lime stones will be affected by fire, but I think that they last longer than wood, particularly if they are built upon good substantial walls; it is so difficult for the flames to reach a stone staircase, if it is built in good brickwork; the fire can only come through one of the upper doors of the apartments, and of that there is very little danger.

362. But you must remember that a stone staircase, particularly in a dwelling-house, is a kind of funnel; and whenever there is a fire the air will rush to the funnel, and you will have the whole of the flames ascending the staircase?—Not of the flame; the flame must have something to feed upon; you will have the smoke and the heat. I belie e that of the deaths that occur in dwelling-houses from fire, I might almost say nearly all occur from suffocation; the staircase of a dwelling-house is very soon filled with smoke, but not with flame if it is of incombustible material.

363. There is a case in my own house, for example, in which the lower staircase is stone and the upper staircase is wood; then, I suppose you would allow that there is a very good chance of the flame being in that staircase?—In the upper portion of the staircase; the flame invariably goes upwards; it never descends; we find that in warehouses. The sugar warehouses used to be very frequently burned down, and if the fire occurred in the lower part of the building, there was very little chance of its being stopped, but if it occurred in the upper part, it might be put out.

364. You were talking about classifying goods in warehouses, and I think the Honourable Chairman put the case of having oil in one compartment of a warehouse, and, say, cotton in the next. Now, what breadth of wall would you consider sufficient to make that safe; that is, that if one compartment, say the cotton compartment, was on fire, it should not communicate, by heat, for instance, or should not damage the wall sufficiently to break it down by sheer heat. I am not now talking of an explosion?—The minimum should be, perhaps, 18 inches, or, perhaps, 1 foot 10 inches in the upper storey, and increasing in thickness as the wall descends.

365. That would not be solely in order to diminish the risk of fire?—For the sake of the strength of the wall; the fire would never pass through an 18-inch wall if it was entirely constructed of brickwork sufficiently to do damage.

366. Then I may say 18 inches?—Eighteen inches is the minimum. Those warehouses whose walls are thicker than that are made stronger to carry the heavier goods and the stronger floors.

367. Mr. *Kinnaird.*] I think you stated that, of all warming methods, you think Perkin's hot water is the safest?—I consider Perkin's safe, but I think a safer apparatus is where there is less pressure; Perkin's water is under extreme pressure.

368. How does that induce danger?—By reason of the bursting of the pipes, and the great heat; it is a small surface heated to a great temperature, and it has the effect of desiccation in a much greater degree, and when the wood is desiccated it is much more liable to fire.

369. And you have known dwellings heated with Perkin's hot water apparatus, where fires have taken place?—Not with that apparatus.

370. You cannot conceive it possible?—Not from pipes.

371. Which is the safest, do you think?—I think it is safe if the boiler is outside the building; there is the danger of explosion, but if the chimney and the flue are properly constructed, I think that for public buildings it is one of the safest modes.

372. Do you hear of many fires being caused by the hot-air apparatus?—Yes.

373. Why is that?—Because the air that passes into the room passes over an apparatus heated to red heat. The old mode of heating by hot air was very clumsy and very dangerous. In the sugar houses the plan used to be to heat the boiling pan on the lower floor; the chimney ran up through the house; and when they left off boiling they opened the door in this chimney, simply to let the heat out.

374. As the surveyor for the office, is it your duty to investigate and report upon the causes of a fire?—No; they are not obliged to report.

375. But does not the office for which you are agent wish to know what causes the fires?—It is generally inquired into.

376. That is reported to you, I suppose?—Yes; I ask, when I go to a fire; but it is generally reported in writing on what are called the fire bills.

377. By whom?—By the brigade.

378. Who is the officer in the Brigade who writes that report?—It comes from Captain Shaw; it is written under his directions.

379. But what is the class of men whose duty it is to report to Captain Shaw?—I do not know that; it is not my department.

380. But having had a great experience, you must know whose duty it is?—I have no doubt it is one of his deputies; they have officers of different ranks in the brigade who take charge of the fire, and report the facts to the head office, and at the head office the fire bills are made out, one for each insurance office.

381. Are they surveyors, or men who from their training and education are most competent to arrive at and report upon the cause of a fire?—No; the ordinary firemen who witness the fire.

382. You must be aware that an ordinary fireman, in discharging his duties, would be quite unable to give any scientific cause of the fire?—Yes.

383, Is not that a great defect; should there not be under Captain Shaw some man of that training and education that should enable him to arrive at the cause of the fire?—If the cause is doubtful and obscure, it it inquired into; but the causes of many of them are manifest. If there is any doubt or obscurity about it, the fire office takes measures to inquire into it; directs me to inquire, or I do it naturally if there is any obscurity about it; I require no directions; or the gentleman who settles the furniture losses inquires; we all inquire, though it is no part of our duty.

384. But having satisfied your mind that there were some satisfactory causes, you go no further?—I report the facts.

385. But is not the business of the office to go to the expense of prosecution?—No.

386. Why should they not do so?—If they fail

fail in a prosecution it does them very serious damage.

387. You cannot expect that we, who are arriving at information for the benefit of the public, must know that the office cannot do it?—It is not their policy to do so.

388. Therefore, do you not think it is necessary that it should be some body's duty to act as prosecutor in fires of this nature; whether it be in each parish or district, there should be an officer appointed whose duty it should be to investigate the cause and follow it up, and, if they can, punish the offenders?—Yes; I am very strongly of that opinion, and I have expressed it for many years; it is a very unpopular thing for an office to prosecute, and they very seldom succeed; that is another thing.

389. The sympathy of the jury is always against the office?—The sympathy of the jury, and of the court, is always against the office.

390. And, therefore, the probability of their not getting a conviction is very great?—Yes, there is a very small chance of getting a conviction. A policy is taken out under certain conditions; I can instance one case: I surveyed premises as a paper manufactory, and the place was insured as a paper manufactory; the conditions of the policy are, that if you change the manufactory, notice must be given; the parties not only changed the manufactory, but changed it to an uninsurable risk, to a wadding manufactory; two actions were tried by the office, and both failed.

391. The juries sympathising in both cases with the parties?—Yes, the court and the juries.

392. From your experience of 40 years, have you not constantly found that the courts sum up against the office?—I have not heard many cases tried.

393. But is not that your impression?—Yes, that is my impression; and generally the fire offices do pay wherever they have reason to believe that the fire is an ordinary one.

394. And, therefore, in that way it is quite unreasonable to expect any redress from the offices?—Perfectly unreasonable.

395. Could you make any suggestion as to what is the best course for the Committee to recommend to meet this acknowledged evil?—A public prosecutor is the only thing that suggests itself to me.

396. I think you mentioned in the early part of your evidence that there is no tribunal that tries these cases; what do you mean by that?—That there is no special tribunal.

397. And are you of opinion that there ought to be, for matters of this sort, a special tribunal?—I think wherever there is a strong suspicion on the part of any person that a fire is a wilful fire, there ought to be a special tribunal for inquiring into it.

398. Are the deaths consequent upon fires in your experience decreasing, or rather upon the increase?—I really have not turned my attention to that question.

399. Mr. *Lusk.*] I think I understood you to state that there are a good many suspicious cases of fire?—There are a good many.

400. The list, as it is brought into the office every few days, shows the number of fires, and the causes assigned?—If the cause is known; if the party who makes the return can assign a cause, he does. I have frequently seen a report of this sort: "Fire." "Date of fire." "Name of person who attended," and "Clothes-horse." A clothes-horse before a kitchen fire is not at all an unusual thing to cause a fire.

401. But do you not still find that there are a number of cases in which the cause is unknown or suspicious?—A great number; and I believe sometimes a suspicion arises when there is no real ground for it.

402. Then, you are of opinion that the number of suspicious cases are not so many, after all?—There are a good many, and they have taken a new phase lately, certainly.

403. There are a good many now, and you say there is no one to prosecute?—There is no one to prosecute.

404. And I think you mentioned that you thought it desirable that some one should prosecute?—I think there should be a public prosecutor.

405. Are you of opinion that there should be an investigation also?—Not of every fire, but only of the suspicious ones.

406. Why do not the insurance companies make this investigation?—It is not their province, and it is not their policy.

407. Why is it not their policy?—Whenever a fire occurs, and the property suffers severe damage, they were almost sure to pay. I do not see that they have any way of promoting inquiry but by resisting payment.

408. If you and I have a matter in dispute, who is to prosecute?—You or I, but it is a different case with them; they can resist payment.

409. And when they are aggrieved, why should not the insurance companies prosecute the same as anybody else has to do?—I can only say, as a fact, that they do not, and I think it is good policy.

410. It is good policy because they would fail?—They would be looked upon as taking this proceeding for the sake of money and not for the sake of the public morals.

411. You mean to say that they would not prosecute, because people would think that they were trying to get money by it?—Quite so; it is simply a money question with the offices, and they are not the correctors of the public morals.

412. If a man has a knowledge of something wrong, and compounds a felony, that is not a right thing to do, is it?—I cannot put that into that category, I confess.

413. You think it would damage them in the estimation of the public, and that they would not get more business?—They would not succeed.

414. Do you mean in a court of law?—They have no way of proceeding that I am aware of, but in a court of law.

415. Are you aware that they often succeed in a court of law?—I do not know of an instance; I have known them fail constantly.

416. I heard a case the other day, in which your own office was concerned, where a man got 10 years' penal servitude?—That was a criminal prosecution; where they can get good evidence of arson to prosecute upon, they will do it.

417. I saw a case in Surrey the other day, in which a man claimed 2,000 *l.*?—The Imperial Company prosecuted, as I observed, last year; they at first paid the loss, and then discovered that they had got good evidence of arson against the delinquents.

418. But you are of opinion that it is not good policy for a company to dispute a claim?—Unless

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Unless they are perfectly sure that they have good grounds for a criminal prosecution.

419. You mentioned the district surveyors; you say that some of them are very careless, do you not?—I do not think I said that; I mentioned one special case, but that is a great exception; the conduct of that district surveyor is a great exception to their conduct as a class.

420. You have mentioned a case; do you find that, as a rule, the district surveyors are very careless?—Certainly not; quite the reverse.

421. You think that they look properly after their business?—I do; they are like all other men; some are more or less careful, as the case may be, but as a body they are respectable and perform their duties with attention.

422. Are they paid by fees, according to the work they do?—The fees are settled, according to the Act.

423. If they do no work, they have no fees?—If their services are not required, they get no fee.

424. And could you alter a wall or a chimney, or anything else about a house, without consulting the district surveyor?—I am liable to a penalty if I do so.

425. You mentioned the Fenchurch-street warehouses; has there ever been a fire at all there?—No.

426. They are very old premises, are they not?—Yes; they were built for the East India Company, and were purchased by the Dock Company.

427. And they have good doors, you state; are they all double?—They are all double except the outer door on the staircase; they were not originally so, but I doubled them when I revised the buildings.

428. Mr. *Miller.*] Are the fees paid to the district surveyors all the same?—No; they vary considerably, according to the different duties.

429. Mr. *Lusk.*] There was a fire in the St. Katharine's Dock, and that fire extended to one or two warehouses; could you suggest any remedy for that in future?—I do not know the cause of its extending; I think I heard (I do not speak at all positively) that spirits were stored in one warehouse, and the ignited spirits flowed under the door.

430. No, it commenced in the top; one of the causes was that a man left the door open between the two places; could you suggest any remedy for that, and do you think it right that they should have communication between the warehouses at all?—It would be safer to have no communication except to the outer air, but under the arrangements of the companies they say that it is imperatively necessary to have them.

431. Are you of opinion that, as a matter of protection, it would be better to have no communication at all?—Certainly; the apertures filled up with solid brickwork must be safer than any number of iron doors.

432. You are a surveyor going about and looking at buildings in London; are there any suggestions you could make by which we could improve the present Building Act?—The present Act, in its main provisions, I think, is very good; the great difficulty is, I think, when disputes take place, in getting those disputes properly dealt with. We go now before the police magistrate in Middlesex; in the City of London we go before the aldermen; I have had two cases precisely similar in the two districts; I got one decision in Middlesex, and I got a reverse decision in the City.

433. But you have had a great deal of experience as a surveyor, of course; and from that experience do you see any defects in the present Act which you think we could remedy?—I am not prepared to state any special defects. The principles are generally good, but the language is somewhat obscure.

434. Do you find many houses that are defectively built?—A great many. I find it very much the case, that they are defective generally.

435. Does that remark refer generally to old or new houses?—New houses. Houses are built now, in some situations, of a more flimsy character than I ever knew them to be.

436. But you might be able to tell us something that would enable us to alter the present Act. Can you tell us anything we could do to render the houses more adapted to protect the inmates from fire?—I could not state precisely anything at the moment. One great requirement is good and substantial brickwork, which it is almost impossible to get; there is a certain thickness that we must get between the brickwork and the flue; but if the brickwork is perfectly worthless, that provision is ineffective.

437. Then the surveyor does not carry out his duty?—He cannot look after all the brickwork that is being put up.

438. Lord *Richard Grosvenor.*] The real cause that fire offices will not take up prosecutions is that there is so much competition that they do not like to get the name of disputing policies; is not that so?—I do not give that as my version of the matter.

439. But you have heard that said?—Yes; but I do not give that as my version of the matter.

440. You are of opinion that they are not called upon as guardians of the public morals?—Exactly; they are commercial institutions entirely.

441. There was one case you mentioned where a person was burnt some years ago; when they applied to you again did you take that risk?—They never applied; we certainly would never have taken it.

442. And they made no claim?—They certainly made no claim, and never asked to be reinsured. I can state, most explicitly, that they would have been refused if they had.

443. In case of arson or incendiary fires, the only way in which it can be found out usually is by the first experienced man who sees it, is it not?—No, I do not say that that is so.

444. But in some houses there might be no traces of the origin of the fire?—Frequently there might be no positive evidence upon the ruins of a fire; very seldom is there any. I can illustrate the mode of discovering arson in this way; I am speaking from a positive instance now. The insurance office inquires into the character of the insurer; that is after the stable door is shut, and they find that he has had three or four fires before within a limited period, and they then push their inquiries further, and ultimately find a person who knows, or can swear, that the goods were absolutely removed before the fire took place.

445. But with regard to the actual cause of a fire, where there is suspicion of arson, owing to such things as oil being spilt about the floor, or camphine

camphine or shavings left about, unless that is detected by the first experienced man who looks at the place, it is very difficult to discover it afterwards, is it not?—Very difficult; because, in 99 cases out of 100, I believe the fire is accidental.

446. And you are of opinion, therefore, that an experienced man being sent about with the brigade might not be of any very great importance?—I do not know of what importance that might be.

447. But surely some of those firemen who have been a good many years in the force are so experienced that they know the look of a fire as well as any more scientific man?—They cannot tell from the ruin; the ruin does not tell generally.

448. But from the interior of the premises they could tell whether the goods had been removed?—That depends upon the extent to which the fire has gone. If the whole is burnt down, so that there is merely a mass of ruins on the ground, they cannot tell.

449. But it is very seldom now that a house is so far on fire before a man arrives there, that he could not see whether the goods had been removed?—Yes, it might so happen that when the first man got there, if he had his wits about him, he might see that the shop, which ought to be full, was empty, and he would judge from that.

450. And from that he would be best qualified to judge whether it was an incendiary fire or not?—Yes, and he would report the fact if it was so.

451. And, under the present state of things, that would come from Captain Shaw to your office?—It would.

452. With Captain Shaw's remarks upon it?—In case of strong suspicion he would most probably communicate it to us.

453. And then you would investigate the causes?—It is not my duty to investigate into the whole of the causes, into the removal of the goods, for example; but if we found that the place was denuded of goods when the fire occurred, that would be a very important point.

454. The office would investigate the cause of the fire just according to the amount of the insurance, would they not?—They would investigate the fire, and if there was arson they would prosecute.

455. But not if it was a small fire, would they?—Yes; if they had strong evidence upon which they could prove arson, I believe that they would prosecute.

456. In those warehouses which you have pointed out, it seems to me that an incendiary would have a better chance than he would in most places, because he would light the fire in a warehouse at one end, and then run into another warehouse, leaving the doors open?—Yes; but the discipline of these places would counteract that, because they have confidential persons on the place, who would lock up.

457. But you say that the man would fly through those rooms when he was locked in, and go from one staircase to another?—I was speaking of a man locked in by accident.

458. But supposing that an incendiary is locked in by accident?—That is a supposition I can hardly follow out.

459. Mr. *Read.*] Are there any clauses in the Building Act to regulate the thickness of the walls?—Yes, strictly.

460. What are they?—They are nicely defined; that a wall of a certain height and a certain length must be of a certain thickness.

461. Do you think that the houses are built so badly now that they are more likely to be blown down than burnt down?—No; I cannot speak to any instances of a house being blown down from the infirmity of its construction.

462. How much higher are the parapet walls that you have in the division of the warehouses than the other walls?—Speaking from recollection, I should say four feet, and the rule I laid down was that they should go a certain distance above the apex of the roof.

463. I understand you to state that the floors in warehouses are not so good when built of iron, on account of their expansion in extreme heat. Of course, when you use wood, that is a combustible material?—Yes.

464. Which is the best?—I should prefer building warehouses with incombustible vertical supports, wooden beams and timbers. If a large apartment is filled with combustible materials, and they take fire, the combustible material is generally sufficient to destroy the ironwork; and the ironwork, as it falls, does a great deal of mischief.

465. I suppose you would lodge the beams in the walls?—Yes, or on stone corbels. In the Docks I used all granite corbels, so as to have a support for the beams.

466. Mr. *Miller.*] You state that the provisions of the Building Act are satisfactory with regard to preventing the occurrence of fire?—They are good in the main.

467. You have also stated, in illustration, that the walls of buildings must, in accordance with the provisions of the Act, be of a certain thickness?—Yes.

468. And you have also stated that they are very badly built; what is the cause of that; is it a bad inspection on the part of the authorities?—It is not the district surveyor's duty to investigate the timber and the quality of the work. Good brick work should be built of good sound bricks, and all the interstices filled up with good mortar. Now, there are buildings, which you may almost see from this window, erected entirely of old bricks and brickbats, mud, and a little lime; that is the general character of the buildings in Battersea Fields.

469. Does it not consist with the duty of the inspector to check such buildings as that?—The district surveyor, I think, is powerless, as to the quality of the wall; the builder is bound to produce a wall of a certain thickness of incombustible materials, and that is all.

470. And you think then, that the district surveyor does, as a rule, see to the wall being of the prescribed thickness?—Yes.

471. Do you also consider that it would be desirable to give him power to see that the wall is built up to a certain standard of strength, and of a certain quality of material?—Yes, a certain quality of material, and a careful quality of labour, but that is a most difficult thing to do.

472. But there is not that power by the Act I believe?—No, there is not that power by the Act.

473. It is within your experience that a fire has occurred from heating houses with water, owing to the proximity of the flues to the wood?—Only from the fire for heating the water.

474. But not from the pipes?—No, I do not believe

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believe that sufficient heat was ever given out from the surface of the pipe to ignite the timber.

475. Does that apply to the hot air pipes?—No, because you may heat hot air to any degree.

476. In your experience, have you ever known any fire to take place from hot air pipes?—Many fires; hot air is a frequent source of fire; the air is heated by passing over a red hot cockle; that is the old fashioned style; over that it would go into the apartment.

477. Then with regard to the nature of the tribunal that you think it would be desirable to institute, should it be something of the nature of a coroner's inquest, not that it should proceed to the conviction, but to the accusation of the party who had been guilty of arson, and not to go further than that, but to hand the case over to the Criminal Court?—I could not give any opinion exactly upon that point: the nearest approximation that crosses my mind is the Procurator Fiscal in Scotland.

478. Mr. *Horsfall.*] Did I understand you to say that you considered fire proof warehouses no more secure than those that were not fire proof?—Some of them are less secure.

479. Is that the generally received opinion?—I do not know that it is so, but there are many of the same opinion as myself.

480. Can you account for the very large number of fire proof warehouses that are now being built?—I am not aware that there are a large number of fire proof buildings being built.

481. But it is a fact, and I should like to know whether you consider those architects and builders as not being correct in their judgment?—I confine myself to buildings for the reception of goods, not manufactories. With regard to fire proof manufactories, such as cotton mills, I think the arrangements are admirable there, but I do not agree with the attempts, for I can only call them attempts, that we have seen. Alderman Humphrey built one in the City with fire proof floors, but it was an utter failure; it was burned down some years ago.

482. Mr. *Lusk.*] Where was that?—On the upper side of the bridge.

483. *Chairman.*] Have you anything else that you wish to add to your evidence?—No, I have not.

Mr. Maximilian Jensen, called in; and Examined.

Mr. *M. Jensen.*

484. *Chairman.*] You are a general commission agent and merchant in Hamburgh, I believe?—I am.

485. And you have a good deal to do with insurance offices, have you not?—Yes, I represented an insurance office formerly in the Duchies of Schleswig-Holstein, where living formerly (but am now living in Hamburgh).

486. What insurance office was it?—The "Freya" Insurance Office; it was a general fire insurance office. I am connected with English offices likewise now.

487. You have paid particular attention to the management of insurance offices on the Continent generally, have you not?—Yes, I have.

488. In France, in Russia, in Sweden and Norway, in Prussia, and in all the other German States, and the Hanse Towns?—Yes; not so much in France; more in Sweden, Norway, Russia, Poland, Germany, and in Holland likewise.

489. In all those countries I understand that strict investigations are made to ascertain the origin and cause of fires?—Yes, in most of the countries.

490. By whom are those investigations made?—Generally by the police.

491. Are there any Government officers appointed in any of the countries to perform that investigation?—In some districts; in Schleswig-Holstein, for instance, there is a Government officer appointed called the "Brand director," who has to inspect all the risks when the houses are built, to ascertain if they are built properly; and when a fire occurs, he has to go and investigate it immediately, assisted by the police. In Hamburgh, the police have principally taken it in hand; they occupy the place at once, and surround it; they are well acquainted with the state of the affairs of the merchant or manufacturer, or whatever he is, and if they have any suspicion they make him prisoner at once and lock him up until the next day.

492. And one of the duties of these fire inspectors is also to see about proper stowage of merchandise in warehouses, is it not?—Not so much so.

493. But in cases of inflammable or explosive material, such as gunpowder, is it not their duty then to make arrangements with regard to it?—Yes, that refers to the police again. The merchants are only allowed to have, for instance, 10 lbs. of gunpowder, and no more; a certain amount of petroleum and other combustible goods, medicines, and so on; they must be packed up in a certain way in iron boxes, and in separate rooms with iron doors; for instance, all the different classes of houses have to be built according to certain regulations.

494. It is the duty of the police or those fire inspectors also, to see that proper means are taken for saving people during a fire?—Yes, especially in the country; in the towns there are proper corps as you have here.

495. Especially for saving life?—Yes, especially for saving life, and for saving property, and for extinguishing fires; there are three different corps.

496. Are they volunteer corps, or are they paid?—They are volunteers, and they are paid likewise by the fire offices, some of them, but others are paid by the town.

497. And there are some volunteers who get no payment?—They are not volunteers entirely; they are paid by the fire offices; I refer to those who save goods and cover them with oilcloth, so that they do not get wet and so on.

498. A sort of salvage corps, is it not?—Yes.

499. The fire inspector, I believe, is paid by the Government?—He is a Government officer.

500. And you have found, in your experience, that where the investigation has been strictest after fires, there have been fewer fires; is not that so?—Of course.

501. Can you give us any idea of the proportion of fires where there have been investigations compared to those in places where there have not been investigations?—There is a difference of from 25 to 50 per cent. between Hamburgh

burgh and Altona, two towns very near together; the investigation is very slack in Altona, and very strict in Hamburgh; Hamburgh is twice as large as Altona at least, and still there are not half as many fires as in Altona in proportion.

502. But there is the same law for Altona as for Hamburgh?—The same law.

503. It is simply the carrying out of the law that makes the difference?—Simply the carrying out of the law.

504. In the different corps that you have mentioned, what we call the fire brigade and the salvage and life protection corps, is there one commander?—One chief commander for the whole three, Repsold is his name, in Hamburgh; he is the chief commander, and he stands at a certain place with the flag in the day time; and at night he has a red lamp, by which you can always find out where he is standing; and he goes into the house and investigates himself how the fire has originated; and he knows the houses so thoroughly that he knows at once where it must have come from; and if there is any suspicion then the servants are taken up, and even the master of the house.

505. By whom is he paid?—By the Government department for insurance of immovables, say buildings called the General Rener Casse.

506. What means have you for giving the alarm in those towns when a fire takes place?—In Hamburgh it is not so well organised as it is in other continental towns. In Hamburgh there is a man upon a tower watching, and as soon as he sees a fire in the day time, he rings a bell; he beats it once or twice or three times, or fourteen times, according to the size of the fire, and then he puts out the flag. At night he hangs out a lamp on that side of the tower that the fire is; gun-shots are fired at the chief guard-house of the national guard; and at nights the watchmen run about blowing a little horn, and calling out "Fire, Fire," in so and such a street, thus unnecessarily alarming the whole town, and even suburbs. The arrangements for extinguishing the fire in Hamburgh are excellent, but a defect is yet, that there is no guard in every engine-station in the day time, same as at nights. But in Copenhagen there is a better arrangement; they have a telegraph upon the top of the tower, and they telegraph to the different stations without giving the alarm. In Hamburgh they telegraph to the first station how many men are required. In Berlin it is arranged in the same way as in Copenhagen. I was there at the Statistical Congress, a few years ago, and we had all the firemen practising before us; and at a certain moment the alarm was given, and they came from all the different quarters of the town. The horses are always ready, I suppose, the same as in England. It is just the same in Warsaw and in Russia. In Warsaw there are men standing at the top of a tower, looking out for fires; in the 14 different districts the stables are down below. On the occurrence of a fire, the watchman gives an alarm signal, and the horses by themselves turn in the stables, and in five minutes the whole brigade are out in the street. The horses are so well trained, and are so intelligent, that they turn round in the stables on hearing the bell, and offer their heads to be harnessed, and off they go.

507. That is in Warsaw?—That is the best I have seen.

508. Have you been in St. Petersburgh?—Yes.

509. What are the arrangements in St. Petersburgh?—The arrangements in St. Petersburgh are quite similar to those in Warsaw.

510. There is a central tower in every quarter of the town, and the stables are at the bottom of the tower?—Yes; I have examined it in Warsaw.

511. In other places you have the tower as the centre of the telegraph system?—We have got different parishes; in every parish there is a watchman, night and day, on the church towers. This refers to Hamburgh.

512. And there is a wire communicating with the different telegraph offices?—Yes, in some of the towns; but in Hamburgh the telegraph goes down to the foot of the tower, where there is a guard at night, and now likewise in the day time, but, as aforesaid, only at nights at the other stations, which is a defect in the day time.

513. How many men are generally engaged as a fire brigade in Berlin, for instance, the capital of Prussia?—That depends; to every engine there are, perhaps, a dozen men, and there is another dozen to replace them if they go away.

514. But you do not know the average number of men kept throughout the year, paid regularly?—I cannot tell that.

515. Can you tell us the number for Hamburgh?—I believe there are about 1,000 men, taking them all together, which number can be doubled by calling the soldiers to assist and replace them, which is regularly the case when a great fire takes place, taking them altogether, for the several districts, because sometimes fires are burning in two or three different places in various parishes. There are different brigades, and if you take the parishes together and multiply them, I think that it will come to that amount; there are about 250,000 inhabitants in Hamburgh, but I could not state exactly the number of firemen.

516. In some of the countries, do not the Governments insure the houses?—Yes.

517. It is not left to any private company to do?—In some countries, yes; and in others, no. There are government insurance institutions or departments who pay the firemen and charge an additional premium for them. In Hamburgh they do it, because they want to protect mortgages, and it is a national economy for the State to insure or to have strict supervision over the insurance of houses, because a great deal of money is invested in mortgages on houses by widows and orphans; and if by any mistake the houses were insured in bad companies, or if there was a neglect in paying the necessary amount of premium, the amount would be lost.

518. Will you mention in what countries that plan of insurance has been adopted?—In the Duchies of Schleswig-Holstein and in Hamburgh it is so, and in several other countries on the Continent likewise. The corporations of several towns have likewise introduced this assurance of houses in countries where it is not generally adopted; for instance, that of Berlin, and the town pays the firemen.

519. What is the practice in Poland, can you tell me that?—The Government insures buildings in order to have strict control over them.

520. Do you understand how they work it out; do they do it as a source of profit, or simply for the benefit of the country?—Only for the benefit of the country.

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521. And in that case they compel every householder to insure?—They compel every householder to insure and to rebuild, and he does not get the money before he rebuilds the house, and that is the law with us in the Duchies likewise.

522. Even where there are private insurance companies you do not pay the money until the house has been rebuilt by the government?—*Pro ratâ temporis*; as they go on building, money is paid; and in some countries, I believe in Poland, they only pay the whole amount after the house is finished; that was told me when I was there last. Private companies pay the sum assured as soon as the police give the owner of the house a certificate that he is perfectly clear of any suspicion.

523. In some countries are not police appointed with very arbitrary powers as regards investigations into insurance policies, and into the position of parties who wish to insure?—Yes, that is especially so in Prussia. In some districts they are very strict, and every insurance agent must bring the policy to a magistrate or a certain person, who is appointed to make those inquiries, to get it inspected, and if the party finds that a person has insured too much, he has to pay a fine. He is never allowed to insure above the actual value, because that is the great cause of a good many frauds that I am sorry to say are perpetrated even now in some parts of the Continent.

524. Then, with all your precautions on the Continent, you also have frauds?—Yes, we have some, but I am speaking of the Continent; taking it altogether; in some countries there are more, and in some countries there are less, according to the strictness of regulations and energy of the police, assisted by the firemen, who have to report the moment they find anything suspicious during and after the fire when the remains are removed, especially regarding the iron parts of furniture and utensils, the melted metal, gold and silver found, or not found (although charged sometimes in the amount of damage). By these means the police discover the originator of a fire soon, or even months and years after it took place.

525. In Poland there are certain restrictions put upon the farmers; are there not?—Yes, they have to keep an exact account of their stock, and if they cannot produce it after a fire, then a heavy abatement is made on the stock which the farmer says was on hand, and they take the average of the previous years, and call up witnesses, and make them take an oath that they have seen a certain quantity of corn on the farm, and so on.

526. In Hamburgh, if any person comes under suspicion of having burnt his property, is anything done to him, is he punished for it?—They take him up; he is arrested. In Altona we had a case of this nature; the parties were arrested a short time ago; inquiries were made, and it was not found out, but the companies took it up, and made inquiries again, because the police are not so efficient as in Hamburgh; in Hamburgh they are famous for that.

527. But whenever there is suspicion aroused, the man is apprehended?—Yes.

528. Supposing a man is guilty, what punishment is inflicted upon him?—First of all, he loses the whole of his insurance, which the company does not pay; secondly, he is punished; he is sent to prison for four, six, or ten years perhaps; it depends upon the case.

529. Then, the whole tenor of your evidence seems to be that these judicial investigations after fires are productive of much good?—Most certainly. The plan of every house is in the hands of the fire insurance department for immovables, superintended by government, so that the size of the rooms can be proved, and the number of goods stored therein, &c., and thus government police and insurance companies generally assist each other in every possible way to detect fraud. I was meeting the agent of a company which I cannot name just now; I met him privately; he told me he came from the Duchies, and said that the police were very lax; that they were not strict enough; that they sometimes do not go to the place where a fire has been, and that there have been a good many fires lately in the country.

530. Mr. *Beach.*] The commander at a fire is a paid officer of the Government?—Yes, a paid officer of the Government.

531. And as soon as ever a fire breaks out he goes there?—Yes, and the chief of the police likewise; and the National Guard is turned out in Hamburgh—surround the place; and even the regular soldiers must assist, if necessary, the fire brigades, which brings the firemen up to the large number mentioned by me in the beginning.

532. Does this man have the command of the whole process of putting out the fire?—Yes, whatever he orders with respect to the extinguishing of the fire and salvage of the goods is carried out.

Monday, 8th April 1867.

MEMBERS PRESENT:

Mr. Agar-Ellis.	Mr. Lusk.
Mr. Gorst.	Mr. M'Lagan.
Lord Richard Grosvenor.	Mr. Miller.
Mr. Kinnaird.	Mr. Read.
Mr. Lanyon.	Mr. Turner.

PETER M'LAGAN, Esq., in the Chair.

Mr. Frederick Garle Smith, called in; and Examined.

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533. *Chairman.*] You are, I believe Secretary of the Scottish Union Insurance Company, in London?—I am.

534. How long have you held that office?—I have been secretary (in next September) for 40 years.

535. Have you been all that time secretary in London?—No; for the first seven years I was in Edinburgh, at the chief office; after that I established the office in London, and I have had the management of it from that time to this.

536. Will you kindly give the Committee the results of your experience during that time, with regard to the number of fires, in the first instance; have they been on the increase?—Decidedly.

537. And have the causes of those fires been more difficult to be discovered?—More difficult every year; that is my impression.

538. That applies not only to the metropolis, but to the whole kingdom, I suppose?—Nearly to the whole kingdom, though there may be some agricultural villages which are an exception; the greatest evils we have to contend with are incendiary fires, and the excessive claims.

539. Do you find, in your experience, that there are a great many fires, the causes of which are unknown?—It is most difficult to discover the causes of them.

540. But are they very suspicious?—Very suspicious.

541. I suppose you have been inclined to attribute a good many of those unaccountable fires to incendiarism?—I really think I may say a moiety; fully half; I am sorry to say that is my conviction.

542. It is not only a suspicion, but the conviction of your own mind?—It is, and it is very difficult to convict a man of arson.

543. But on what grounds do you found that suspicion or conviction of those being incendiary fires?—I have not gone into the subject particularly, but the moral conviction on our minds is, that such and such fires are incendiary fires; but the competition has been such between the different insurance offices, and they have been so apprehensive of incurring odium on the part of the public by resisting claims that they have, with their eyes open, when they have been morally certain that the fire has been wilful, paid the amount of the claim.

544. You would say that the insurance companies are themselves somewhat to blame for the increase of incendiarism?—Very much so, on account of the excessive competition.

545. Is it the duty of an insurance company, however, to investigate into the origin, or the cause of a fire?—I have always had the impression on my mind that it is a moral duty devolving on the Government, for the sake of the prevention of crime, to devise some means to stop those fraudulent fires.

546. You think that it is the duty of the Government, and not the duty of the insurance companies?—I think so; if that devolved on the insurance companies, they would have to raise their premiums to an enormous extent.

547. But you would say, would you not, that the insurance companies are the parties mainly affected by the fraud?—Yes, they have to pay.

548. And consequently it would be their interest to investigate the causes of fires?—They make an investigation as far as the circumstances will permit, and I have seen lately in the papers that persons have been convicted of arson, and sentenced to 10 years penal servitude; one case in particular, where the judge laid it down that a man making a fraudulent claim, forfeits all rights under his policy. Those convictions have had a manifest effect in the diminution of incendiary fires.

549. How long ago was that?—In November last, I think.

550. It was within a year or so, I suppose?—Yes, certainly within a year.

551. Were those prosecutions carried on by the insurance companies, in which the party had insured?—Yes; they felt the pressure so severe from those incendiary fires, that they found it absolutely necessary (despite possibly, the opinion of the public) to take those steps.

552. But if insurance companies were to prosecute in cases of that kind, the facts would have to be very strong against the insurers?—Certainly; I believe myself there are organised gangs of incendiaries for the purpose of defrauding the insurance offices spread over the country. I recollect a number of foreigners located themselves at the east end of London, some 10 or 12 years ago; they were foreign Jews, for no other purpose than that of defrauding the insurance companies. I believe there were 60 fires in one year among those men; we had a few ourselves, and paid the money; they threatened us, and

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went to law, and we have always had a feeling of the importance of not appearing litigious to the public, and we bent to circumstances, though we knew that what we paid was not due.

553. How did you get quit of that case?—The Royal Insurance Company defended a case or two, and one or two other offices also.

554. Was it ever proved against the men?—Yes; they failed in obtaining a verdict, at all events.

555. It was the parties who proceeded against the company?—Yes, and the Companies defended.

556. Is it not the fact at this time that the insurance companies, when they are suspicious of a case of incendiarism, allow the parties to proceed against them for the claim?—Yes; the offices are very loth to commence criminal proceedings. There was a case in Kent not very long ago where an office refused to pay the claim; their pleading was that the claim was fraudulent, and that the man had been guilty of arson. The jury found on the first case that the claim was fraudulent, and that the man had vitiated his policy; but they abandoned the charge of arson, so that the man got off from being criminally prosecuted. I think the name was Britton; it was a most notorious case.

557. In all policies of insurance there is a clause that, if there is anything like wilful misrepresentation, the insurer benefits nothing; is that not so?—In most cases; but some of those modern companies have acted upon such novel principles to gain public favour that I cannot speak to the whole of them. As long back as the year 1832 I was so impressed with the prevalence of incendiarism that I published a small book upon the subject, and in that book I suggested that it should be the duty of the coroner to hold an inquest in case of fire.

558. There being no coroners in Scotland, what did you suggest there?—That the Procurator Fiscal should take it up.

559. Was there not a case about that time where the sheriff of a county took the case up, and ordered the Procurator Fiscal to investigate the origin of every fire?—Yes; it was beginning to have a telling effect, but the Lord Advocate prohibited that.

560. What was the name of the sheriff who issued that instruction to the Procurator Fiscal?—The Sheriff Depute of Lanarkshire, Mr. Robinson, addressed a letter to the insurance agents in Glasgow, to the effect, that in consequence of the frequency of fires, every case without exception should be investigated before him or some competent authority, through the medium of the Procurator Fiscal.

561. In order that the true cause of the calamity should be brought to light?—Yes; the immediate consequence was to put a stop to the frequency of fires in that city; the beneficial effects were so apparent, that Mr. Mackenzie, of the Scottish Union, opened a correspondence with Mr. Duff, the sheriff of the county of Edinburgh, and with Sir William Rae, then Lord Advocate, in the hope of inducing them to adopt similar measures in Edinburgh and other counties of Scotland. Sir William Rae replied, "That while he should be well pleased that the magistrates of burghs should establish a rule by which an investigation would take place in every case where fire occurs, he would not give his sanction to that course being adopted by sheriffs; and that the expense of such investigations would be allowed in exchequer, only in those instances where there are good grounds for supposing that the crime of wilful fire raising can be brought home."

562. Consequently the investigations were stopped in Scotland from that time forth?—I believe so.

563. Are you aware whether they have been commenced again?—I am not aware.

564. Will you explain to the Committee the duties of the Procurator Fiscal; he is a public prosecutor, is he not?—Yes; I suggested at the time I speak of that it should be the duty of the coroner to investigate every case of fire.

565. Who would you suggest should initiate the proceedings, supposing the coroner to be the judge to investigate the matter?—I presume they would proceed upon the same plan as in cases of violent death; the parochial officers would advise the coroner of such an occurrence; I think on moral grounds that the Government ought to make some provisions to protect the community from those fires, and to put down the crime of incendiarism; but it would be too much to expect an investigation of every fire. The offices once had the Metropolitan Fire Brigade, and have, since the Government took the brigade out of their hands, established a salvage corps; and have a number of most intelligent men who, directly they hear of a fire, go down to the place, which has had an immense effect.

566. I should like to know, however, who, in your opinion, should initiate such proceedings?—The Fire Brigade or the Salvage Corps should say such and such a case ought to be investigated.

567. Then supposing a coroner be appointed, how should he be paid; do you think the insurance companies should be called upon to pay him, or that he should be paid by the rates?—I think as it is the duty of the Government to prevent crime as much as possible, that it ought to come under the same heading as the salaries of the judges.

568. Then would you propose that the duty of the coroner should be not only to investigate fires on insured property, but also fires on uninsured property?—I would draw a distinction; but in every case where suspicion existed, there should be an investigation.

569. Have you any knowledge of the legislative provisions for the protection of life and property against fire at the present time?—No.

570. You know nothing of the Building Acts?—No. That has more to do with the surveyors.

571. You are not prepared to give evidence with regard to the Fire Brigade, whether they should be paid or voluntary; have you paid any attention to that subject?—We had been accustomed in London to support the Fire Brigade, but it now devolves on the Government.

572. But have you paid any attention to the general subject of the protection of life in cases of fire?—No, not at all. There is, of course, the Society for the Preservation of Life from Fire.

573. Is it part of your duty to consider the classification of goods in warehouses?—That is more the duty of a surveyor, but it is a question that has very much occupied our attention. There is a partial classification which has taken place at some of the wharves, but at others there is an admixture of goods, which is very dangerous.

574. In the principal insurance offices I believe there are certain requirements insisted upon for the improvement of risks?—Yes; for instance,

we sometimes decline to insure a wharf unless certain alterations are made with regard to the party walls, and so on. In Liverpool, after the great fire there, it was done to such an extent that it reduced the premiums greatly.

575. Your experience is, that insurance companies generally pay particular attention to the storage of goods, and lay down certain rules for buildings, and also for the classification of goods, to prevent the occurrence and the spreading of fires?—Yes. I should tell you that persons who are cautious, myself for instance, find that there are some wharves which they will not insure at all. We are quite at liberty to decline a risk, and we very often do, either to limit our liability or we decline altogether. I believe that the great art in our business is to know how to decline business.

576. You mentioned incendiarism as one of the principal causes of fires; are there any other obvious causes?—Yes. I believe that incendiarism exists to a very large extent, certainly; but I have no doubt that there is culpable carelessness also.

577. Do you think that the number of fires from carelessness, could not be reduced in some way or another?—I have no doubt there might be some regulations framed for that purpose, which would subject the parties to some punishment, by fine or otherwise.

578. You are not aware that in Liverpool there are certain regulations laid down in the warehouses, against using lights and other things of that kind?—Yes, but they do not correspond with me, they correspond with my chief office in Edinburgh.

579. Are you aware of any such regulations being established in London?—No; I do not know of them.

580. Is there no order against smoking in the warehouses?—Yes, the dock regulations prohibit that; but at the East and West India Docks, there have been several serious fires, and there is no doubt that they have had a match applied, from what motive I do not know; they were principally Irish labourers there, and I believe the men at the wharves and the docks are paid at a very low rate.

581. It has been stated to us, that one of the causes of fires is malice; do you know of any case of that kind?—I can only state my impression; my impression is, that some of those large wharf fires have been occasioned by *employés*, warehouse thieves, in fact, who have committed serious depredations, and have set fire to the place to hide their crime.

582. You think that a judicial investigation would have the effect of reducing those fires?—No doubt the fear of detection would have a great effect.

583. You have attended very particularly to the subject of insurance generally; could you give us some idea with regard to the time when the insurance tax was put on?—I think it was put on by Lord North in 1782.

584. What was the reason for putting it on?—I think it was in consequence of the war; it was put on originally by a 2 *s.* 6 *d.* stamp on the policy, I think.

585. Then we must consider the insurance tax as a war tax?—I believe so.

586. You think it would not be politic to keep it on in time of peace?—It is manifestly such a tax on prudence, that I think it is impolitic.

587. Have you any idea of the amount of the property insured in this country?—I think, in the article which I wrote for the "Encyclopædia Britannica," I mentioned in my rough estimate 1,500,000,000 *l.*, was the value of the property insured in the year 1855.

588. Then there has been a very large increase since that, I presume?—Yes, of course.

589. You have no idea what proportion that holds to the uninsured property in the country?—No, none whatever.

590. Although there has been a large increase in insurance, you think that the companies are more cautious in taking risks than they used to be?—Yes.

591. Is that mainly from the great increase in the number of fires?—Yes; I refuse an immense number of risks.

592. Notwithstanding the increase in the rates, have the insurance companies been paying a dividend?—They are various. The company I have the honour to be connected with, are paying 12½ per cent., when a number of other companies show a large deficit, and pay no dividend at all.

593. Have you increased your rates lately along with the other offices?—Yes, we have; there have been various meetings with a view of forming tariffs of rates, but there is still such a rivalry existing between the offices that it is most difficult of accomplishment.

594. Although your company has been very successful, do you think that the insurance business has generally been profitable?—No, decidedly not; from the amount of suspicious fires.

595. If that continues, will the insurance companies be able to carry on business at the present rates?—I cannot say; some offices continue business in the face of very adverse circumstances.

596. Then, supposing that we had an investigation into all the fires, the effect of which was to reduce the number of fires, do you think that there would be a reduction of the rates?—I think that if the offices could show a very satisfactory result, that in all probability the rates would be reduced.

597. Therefore the institution of a judicial investigation would be for the public interest?—There is no doubt of it.

598. Inasmuch as it would reduce the rates of insurance?—Certainly.

599. Mr. *Agar-Ellis.*] You have stated that there has been a large increase in the number of fires, I think?—Yes, the fires have been tremendous for many years past.

600. Can you, however, put a date to the time when the increase began?—No; I think it has been progressing for years.

601. You could not say how many years you have noticed the increase?—No; I had no idea of any investigation of this sort, or I would have tried to tell you.

602. You could find that out in your office, I suppose?—Yes, within our experience; but our experience in comparison would be limited; you could get a general return from all the offices.

603. At present you cannot answer that question when the increase began?—It has been going on for many years, progressively.

604. Did you ever turn your attention to the subject of a defence fund amongst all the insurance offices?—I have sugested that, but it has never been entertained.

605. Do you think that would be a good thing?—I do. I do not see why insurance offices

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should not have a defence fund, the same as the bankers have.

606. If you had a common defence fund, I suppose an individual office would not be subject to the same odium as at present, when it prosecutes?—I do not know that. The name of an individual office must be mentioned, therefore the odium would be pretty much the same.

607. But still you would advise the institution of a defence fund?—It would be a very great thing that the offices should combine to prosecute, on the same principle that bankers do in cases of forgery.

608. Mr. *Gorst.*] The fires which come under your observation are those fires which are insured in your own company?—Yes.

609. I suppose the business of your company has enormously increased within your experience?—Yes.

610. Do you think that the number of fires have increased beyond the proportion of the increase of business?—Yes, certainly, I think they have.

611. Then you think there are *absolutely* more fires?—Yes; I think you would find that that is the experience of all the offices.

612. You think that a great number of the fires are incendiary fires, but what is the ground of your belief?—It is from general reports; immediately a fire happens, we make some investigation, and we form our own conclusions; 40 years ago there was seldom a case occurred but what we could ascertain the cause of the fire, but now it is a most difficult thing to do so.

613. Have you ever prosecuted any people for arson?—No.

614. Never?—No; it is a great misfortune that the offices are so tenacious of their character for not being litigious, that they rather allow a criminal to escape than prosecute him.

615. You have absolutely never prosecuted?—Never, that I remember.

616. Do you know, from your own knowledge, whether other insurance offices commonly prosecute for arson?—It is rather the exception than the rule, but there have been many cases lately, where men have been convicted and sentenced to penal servitude, and that has had a manifest effect on incendiarism.

617. Have those persons been prosecuted by the insurance offices?—Yes, individually.

618. Was that gang at the East End prosecuted?—No, they were not prosecuted; but the claims in one or two instances were resisted, and the verdict went against them.

619. You only defended civil proceedings?—Yes.

620. Was any attempt ever made for the purpose of prosecuting those men?—I am not aware of any attempt of the kind.

621. You said that you believed a great many fires were caused by warehouse thieves; can you give me any grounds for that opinion, or can you give me any instance?—We have believed that many of the fires at the wharves have been caused by warehouse thieves; I know that a number of men were taken up on suspicion, but there was nothing which could be proved against them; it is the most difficult thing in the world to procure a conviction for arson, or to prove the crime, so the matter dropped.

622. Mr. *Lusk.*] How long have you been in London?—Thirty-two years.

623. You are well acquainted with the statute law of insurance, I suppose?—I have not studied it much; there is the law of equity and liberality, that has been our law.

624. Do you know of any weak point in the statute law of fire insurance?—I cannot say that I ever have given much attention to any law but the law of right and wrong.

625. But are there any defects in the present law that you think we could remedy, speaking with regard to fires?—In a moral point of view, I consider it is the duty of the Government to provide some remedy for incendiarism.

626. What do you mean by a moral point of view?—It is a most immoral and criminal act. Incendiarism is worse, if possible, than murder, because you do not know where it may end.

627. But do you know of any defect in the present law with respect to the punishment of the crime?—It used to be death, but since the punishment of death has been abolished for that offence the crime has certainly been very largely on the increase; there is no question of that.

628. But do you think that fires have increased from the greater number of the population and the houses, or from the greater frequency of incendiarism?—I think both. Fires have increased in proportion to the number of houses, but cases of incendiarism have also very largely increased.

629. Can you give the Committee the reason for your opinion?—I can only give my own conviction, from the difficulty of ascertaining the causes of fires in the cases that come before me. I think there are two or three gentlemen who could give you more information on that point than I can.

630. Do you think that the very circumstance of a fire happening to a house should be a public offence?—I do not see how you can visit a man with punishment for an accident.

631. When a railway accident occurs, the railway finds out it is liable for the accident; do you think a man should be responsible for having a conflagration in his house, and that he should be held accountable for it in some shape or other?—If a man has an unavoidable accident in his house, I do not see that you can punish him.

632. Supposing you were driving along in Bond-street in your carriage, and you ran into somebody else's carriage, would you not be made responsible for that?—Yes, probably.

633. And if you burn a house next door through your carelessness, do you not think that you ought to be responsible in some measure for that?—It would depend on the law; there is no law to that effect.

634. But do you think it expedient that there should be such a law?—I can hardly give an opinion upon that subject.

635. Are you acquainted at all with country buildings?—No, I am not acquainted with surveyors' duties.

636. Why do not the insurance offices like to prosecute in suspicious cases?—On account of the public odium that they incur. Immediately an office appears as a prosecutor or defendant in a court of law, the people say, "Oh, that is an illiberal and litigious office; we will have nothing to do with them."

637. It is a matter of business with the offices, then?—Yes.

638. They forget their morals altogether?—I am sorry to say that they often let rogues escape.

639. That does not give us a very high idea of the morals of the offices?—The offices are bodies of individuals, and not individual bodies.

640. When a fire takes place in a man's house, should the proof, in your opinion, lie on him that

that he had goods there, or should it be necessary for the office to show that he had no goods there?—The onus lies on the claimant to establish his claim, most decidedly; that is how it is we have so many fraudulent claims. A man in Wood-street, within the last few months, made a very excessive claim; indeed, so excessive was it, that the judge told the jury that he had forfeited all claim under the policy for that reason.

641. You were asked a very important question about premiums; do you think that the premiums are too low, or the fires too many?—I think that the premiums are too low, and that the fires are too many.

642. But suppose we were to make the law more stringent, and thereby reducing the fires, would that bring down the premiums?—The offices generally are influenced by feelings of equity, and I think that if they found the business profitable they would give the insurers the benefit of it.

643. Are the offices very particular about the risks which they take?—Some are, and some are not; I reject a great many insurance proposals which other offices take readily.

644. Do they pay particular attention to the agents they employ?—Yes, generally, they consider who are eligible parties before they are appointed; there is a great difficulty in getting good agents, but agents abound to a great extent in country towns.

645. Do the companies ever entrust agencies to people whom they never saw?—Yes, I think they do; they are guided by their repute and by their references. There was a time when security was taken from every agent, but now, in consequence of the competition, men are daily appointed without any security whatever.

646. But if the companies are so very careless about their own affairs, it would be difficult for Parliament to apply a remedy, would it not?—I cannot say that the companies are careless about their own affairs. The insurance business is a very peculiar business, it is a business depending on risks.

647. Mr. *Turner.*] Many fires occur, of which the causes are totally unknown you say?—They are quite unaccounted for.

648. In the absence of any proper authority, with compulsory powers to investigate the causes of fires, is there not a general belief that many fires are wilful or caused by culpable neglect?—That is the conviction.

649. You have been asked with regard to the existence of difficulty in the present law as to the investigation of the causes of such fires?—I stated that I considered it would be a matter for the Legislature to authorise a judicial investigation into every fire, on the ground of public morality.

650. You think that it is a defect in the present law, that there is no such power?—I think if we had a judicial investigation into every fire, you would find those incendiary fires very much diminished indeed. That was the case in America; incendiary fires were enormous there. I can give you an instance; in Baltimore for example, in the 12 months ending the 31st December 1858, there were 130 incendiary fires. They appointed a judicial officer called a "Fire marshal," whose duty it was to investigate all fires, and prosecute where necessary. The result was this, that instead of 130 in the year ending December 1859, there were only 77, the following year there were 38, the following year 28, the following year 21, and in 1863 there were only 10 incendiary fires.

651. If a similar officer, with similar compulsory powers, were appointed in this country, do you think it would be a very desirable thing?—Yes, indeed it would.

652. To that extent the existing law is very defective, is it not?—In my opinion it is.

653. You have been asked if you can fix any date with regard to the increase of fires?—I think that there has been a progressive increase.

654. The increase has been very considerable during the last four or five years, has it not?—Very considerable, and very unsatisfactory, with regard to the causes.

655. That arises, in your opinion, from there being no tribunal of investigation with compulsory powers for the purposes of evidence?—Precisely.

656. With respect to a defence fund considered as a protection to the offices, how would you propose that any action should be taken in case of a fire, so as to bring it within the scope of the defence fund?—It was purely a defence fund that I meant, not a prosecuting fund, but a fund to defend against fraudulent claims.

657. But if there is a fraudulent claim, that claim must be established in a court of law?—Yes.

658. Is your meaning that in every case where a company refuses to pay a claim on account of a suspicion that the claim was a fraudulent one, they should have the power to call on the defence fund for funds to defend any action against them?—Yes; on the common fund system, the same as the banker's fund, in cases of forgery.

659. Are they precisely similar cases?—No, because bankers prosecute, but it was purely a defence fund that I meant.

660. It would come to this, then, that in all cases where any company chose to resist the payment of a claim, they would be entitled to be paid at the expense of other offices, which had no means of judging whether the defence was just or not?—Yes; it would be established for that purpose if it was a mutual fund, but I did not introduce the subject, it was suggested to me.

661. You have said something with regard to regulations as to storage of goods; you are aware, I suppose, that in Liverpool there are regulations with regard to the storage of goods, particularly with regard to saltpetre and nitrate of soda?—Yes.

662. Those goods are not allowed to be stored in connection with inflammable goods, are they?—No.

663. Are such regulations in force in warehouses in London?—To some extent they are, but not generally at the wharves. There are some goods which are mixed, but I avoid those risks.

664. Are there no regulations which make it compulsory on the warehouse companies and dock owners to store such goods apart?—The dock companies act on that principle.

665. But suppose they do not, is there any means of making them do it?—No, I think not.

666. It is a matter of internal arrangement with the dock companies; there is no municipal or other regulation?—I believe not.

667. A great fire took place some years ago at London Bridge; do you not believe that if such regulations were in force, it would have the effect

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of preventing the great extension of such fires?—I do.

668. Has it not been found to be the case, particularly on the wharves, of late years, that in fact any such regulation has been neglected?—I believe that the fire you allude to was the fire at Cotton's Wharf, where about 2,000,000 *l.* worth of property was destroyed. Since that wharf has been rebuilt, it has been arranged with an express view to classification of goods.

669. If such a classification had taken place previously, the probability is that that fire would have been subdued more quickly?—We trace a large amount of loss to want of classification in those warehouses.

670. Since then there have been other fires on the river, in which it was ascertained that jute was stored in the immediate vicinity of saltpetre, and other things of that kind?—Yes.

671. You think that the principal defects in the law are the want of an authority with power to institute an investigation, and the want of proper regulations with regard to the storage of goods?—Those are the two most important points, the classification of goods, and the investigation of suspicious fires.

672. That might involve to some extent the investigation of all fires, just as occurs in cases of death?—Yes. The question would arise how you were to be guided with regard to the investigations, that is to say, if a fire is beyond suspicion, then there is no investigation necessary. I think the Metropolitan Brigade and the Salvage Corps should be the guiding people with regard to the investigation, because they have the advantage of being down on the spot directly a fire happens.

673. Your idea would be, that the police should report every case of fire to some central authority, and that such authority should direct an investigation or not, according to the circumstances, whether of suspicion or of non-suspicion?—The Salvage Corps are, I believe, generally at the fire before the Fire Brigade, which is now under the control of the Metropolitan Board of Works. They go and take care of the property, and they are the men who will tell you whether it is necessary to have an investigation or not.

674. Your idea would be this, that in all cases in which the origin or cause of a fire is unknown, an investigation should take place to ascertain that cause?—Yes, whenever there is the slightest suspicion.

675. And supposing the cause is unknown?—Yes, in that case also. Forty years ago the cause of every fire was easily known.

676. Within your experience, until within about 10 years ago, the rule was that in all cases of fire, the causes of the fire were easily ascertained and known; was that so?—Not so recently as 10 years ago. Forty years ago it was a rare thing to meet a very bad case.

677. It was a rare thing to meet with a fire of which you could not ascertain the cause?—Yes. There is a modern favourite expression, "spontaneous combustion;" but the editor of an insurance paper inquires, whoever heard of spontaneous combustion 40 years ago? Then a fire seldom, if ever, happened without the owners of the property, whether insured or not, being able to supply complete proof of its cause.

678. Now if it was very rare that 40 years ago the occupier of premises was not able to give a complete account of the origin of a fire, is it not the case now that in the majority of instances the causes of a fire cannot be ascertained?—Quite so; it is very difficult to ascertain them.

679. Do you attribute that partly to the want of legal compulsory power to investigate those causes?—I do, indeed.

680. Mr. *Miller.*] I think you have stated that some years ago application was made to Sir William Rae, the then Lord Advocate of Scotland, to endeavour to institute some legislative measures for obtaining a judicial inquiry into fires?—Yes; some of the sheriffs undertook a judicial investigation, in consequence of the number of suspicious fires which had occurred, but the Lord Advocate thought fit to discountenance that movement.

681. It was made at the instance of the sheriffs?—Yes, at the instance of the sheriffs.

682. They had no sanction for such proceedings in law, had they?—I suppose not, if the chief law officer of Scotland discountenanced them.

683. With regard to the incendiary fires which you have referred to which took place in America, you have stated that in one year they amounted to 130 *l.*?—Yes, in the year 1858.

684. Have you also information to shew in what proportion that number of incendiary fires existed with regard to the whole number of fires that took place?—No, I have no such information, but they have decreased year by year, as I have stated.

685. You have mentioned that previous to a period of 40 years back, incendiary fires were of very rare occurrence?—They were very infrequent.

686. Is it only since that period that people have put forward, as a likely cause, spontaneous combustion?—Yes; forty years ago they scarcely knew what spontaneous combustion meant, I believe, with regard to fires.

687. Spontaneous combustion being heating by the application of damp to any fibrous goods, it takes place in shops as well as in warehouses?—Fires attributed to that cause occurred in Beale's Wharf, Fresh Wharf, Symond's Wharf, Hibernia Wharf, Cotton's Wharf, and various others.

688. What is the article which is now considered most liable to spontaneous combustion?—Jute is considered a very dangerous article.

689. But it is not an article of large importation?—Yes. Then there is flax.

690. Spontaneous combustion is not very apt to take place in flax, is it?—No, there are various Spanish grasses that have been imported in recent years which are said to be liable to heating from damp.

691. But previously there were no such things?—I do not know.

692. But sometimes dangerous things are put close together; brimstone and saltpetre, almost making gunpowder, and tar, and jute, without any classification?—Yes.

693. *Chairman.*] In the case of the heating of hay and corn in a stack, do the insurance companies pay the claim for that?—The offices have a special clause that they are not liable for natural heating; then the difficulty is to prove that a fire has arisen from natural heating.

694. Would you not call jute taking fire a case of natural heating?—Jute comes a long distance, and it would take a long time to create combustion in it.

695. Mr. *Miller.*] What you mean by natural heating, is heating which occurs when hay and corn

corn are put up damp in the stack, I suppose?—Just so.

696. *Chairman.*] But you may stack hay and corn damp, and yet a fire may not take place?—Our clause is to provide against their being immaturely stacked.

697. Mr. *Miller.*] Have you ever known it to be the case that spontaneous combustion has been caused in the article of flax in a warehouse?—We have suspected it; I cannot say exactly dressed flax, but I knew of a singular case once in Scotland where a fire was commenced among flax through the panes of the glass having a rough bull's eye in the centre, which acted as a lens, and a very serious fire took place.

698. That was a very rare occurrence, was it not?—Yes, that was not spontaneous combustion.

699. So far as you know, spontaneous combustion is chiefly confined to jute?—It is not within my province to investigate the causes of fires generally; that is the surveyor's duty.

700. Mr. *Turner.*] Is it not believed to be the fact that when any oily matter is mixed up with loose cotton, or flax, or hemp, or jute, spontaneous combustion takes place?—Yes, that is the feeling.

701. Are you not aware that it is suspected that where the loose cotton is thrown on one side with which the machinery is oiled, a fire has taken place from the oily cotton being put among the other waste cotton?—Yes; that matter is very particularly looked at in insuring mills. We have a clause that the waste matter shall be taken out regularly.

702. Mr. *Read.*] Do you think that suspicions of spontaneous combustion are justified in most of these cases?—I think that spontaneous combustion has been a very good word to cover a variety of fires.

703. Do you believe in spontaneous combustion yourself in any case?—I do, to some small extent.

704. When you speak of the overheating of corn and hay ricks, is it not the case that the offices generally, if a fire extends to the other property, do not pay for the stack that happens to have spontaneously ignited?—That would be a question for the liberality of the directors.

705. Is not that generally the practice?—You mean the case of a stack being burnt, which also burns other stacks?

706. Yes?—I should say that it would entirely depend on whether the office chose to pay or not, there is no compulsion under the policy.

707. But they always do pay, do they not?—The offices generally lean to the liberal side, I believe.

708. Do your remarks with regard to the increase of fires, apply to the country as well as to town?—Yes, to country towns.

709. I mean rural districts, proper?—Yes, certainly; incendiarism has prevailed very much in some agricultural districts.

710. What do you mean by incendiarism?—Wilful fire-raising.

711. The act of some malicious person, or the insurer setting fire to his own property?—We have only found insurers setting fire to their own property in rare instances in agricultural districts.

712. Agricultural property is very much exposed, is it not?—Yes; we trace many fires in agricultural districts to tramps, persons taking lodgings under the stacks and setting fire to them.

713. And there are a good many fires I presume, from the use of agricultural steam-engines?—There are some fires from the use of agricultural steam-engines.

714. I think you have stated that the fire insurance duties on farming stock, were repealed in the year 1833?—Yes.

715. Can you tell the Committee whether there has been any increase in the insurances since the repeal of that duty, or rather, whether there has been any immediate increase?—No, I do not think that the abolition of the duties either in whole or in part, has had the effect generally anticipated, in increasing insurances very much.

716. Do you happen to remember what was paid, when the duty was on?—No.

717. It is a great deal more now than it was before the duty was repealed, is it not?—I believe it is, but I have not entered particularly into that question.

718. Is your office largely employed in insuring farming stock?—I think that our insurances are about 2,000,000 *l.* on agricultural property.

719. Principally, where?—In the agricultural districts of England and Scotland.

720. What is your present rate for farming stock?—I think 5 *s.* per cent.

721. Mr. *Lanyon.*] Is there any register kept in your office, or in the offices generally, of the causes of fires?—We have not a register in London; mine is a branch office. When I left Edinburgh 32 years ago, I established our company in London, and I have managed it ever since; but our chief office is in Edinburgh, where the records are kept.

722. Is there any such record kept in London?—Very likely; some of the large offices might be able to produce some statistical information of the kind.

723. You have stated that the number of fires has increased very much lately?—Yes; there has been a progressive increase for many years.

724. Is that opinion formed on a mere suspicion, or how have you arrived at the conclusion?—It is a fact generally known among insurance offices, and the immense magnitude of the fires compared to what they used to be; the losses among the wharves and docks have been enormous.

725. That arises naturally from the increase in the stock at the wharves, and so on; but in speaking of the increase of fires, have you ever ascertained during any series of years, the relative proportion that the fires bear to the valuation, say to the whole district of London?—I cannot give you that information.

726. Fires may have increased four or five times in number, but the valuation of property may have increased eight or 10 times?—The increase of fires has been all out of proportion.

727. But the value of an opinion depends on how that opinion has been arrived at, does it not?—I can give you no figures.

728. It is a mere matter of suspicion?—Yes; but I think it is ascertainable.

729. One would suppose that that comparison would have been one of the first things that the offices would have directed their attention to?—Mine being but a branch office, I have no records.

730. Mr. *Turner.*] I think you have stated that the fire insurance business during the last four or five years has been a bad one, with the exception of a few offices?—Yes, with the exception of a few offices.

731. Was not that opinion based on the fact that

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that the losses have been greater by far than the average of previous years?—Yes, decidedly; the fires have increased in number and magnitude.

732. Mr. *Larryon.*] But do not the majority of the offices pay a dividend still?—I cannot say.

733. Have you any idea that there is any other motive for non-prosecution upon what are called incendiary fires than the apprehension of public odium?—No, I do not know that there is any other motive.

734. Mr. *Kinnaird.*] I gather from you that the remedy which you propose is that a public investigation should take place, something like what was conducted at Glasgow?—Yes, it is most important to the country, as well as to the offices, that there should be an investigation of that character.

735. With regard to the evidence that you have given from America, is that evidence which you can rely upon?—It is from an American insurance paper.

736. Have you every reason to believe that it is authentic informatiom?—Yes.

737. You have mentioned casually the salvage corps, that is a new institution, is it not?—Yes; the combined offices once superintended the fire brigade for their own interest, but the Government thought fit to deprive us of that, and to place it under the Board of Works. We immediately, for our own protection, found it necessary to have some persons to look after our interest. The brigade used to do that by leaving men on the premises, but now they have only to put out the fires, and away they go; therefore we have appointed a number of very intelligent men, selected principally from the fire brigade, and directly a fire happens, away they go as quickly as possible; they never leave the property, and they save a great deal. They are the men who could give the prosecuting officer information as to whether an investigation should take place or not.

738. Has that salvage corps been the means of saving a great deal of property since its institution?—Yes, they have been very fortunate in preserving property.

739. Do they also arrive at the causes of many of the fires?—I have no doubt they do, but the reluctance of the offices to prosecute hinders that from taking effect.

740. I suppose that arises from your experience that the prosecutions which have been undertaken have failed in many cases?—Formerly it was very difficult to get a verdict against a man who was charged with arson, and the offices now confine themselves to the defence of fraudulent claims.

741. I am speaking of the difficulty of conviction for arson only?—The offices have not prosecuted for that except lately; there was a case the other day where a man was sent for 10 years penal servitude.

742. Do you utterly repudiate, on the part of your office, any want of morality in not carrying on prosecutions which they have every reason to believe would fail and break down?—The offices do not like to place themselves in the position of charging a man with so grave a crime.

743. You were asked whether the offices were not careless in taking risks; now, speaking of your own office, and all well-established offices, is there not great care taken in investigating risks before they take them?—Yes.

744. Have they not generally an officer of the establishment whose duty it is to go down to survey the property proposed for insurance?—Yes.

745. Upon offers for renewals they go down and re-investigate for themselves the risk, if they have any reason to think it extra hazardous?—Very often.

746. You do not think that respectable offices can be charged with any carelessness in conducting their business, do you?—No, but there is great evil in the establishment of new offices, and so much competition.

747. Is there care taken in your office to prevent property being insured for more than its real value?—If we have any suspicion, we do not take the risk; I refuse a great deal of business; I have sometimes 15,000 *l.* or 20,000 *l.* a week refused, risks that I do not like, for various causes.

748. Whenever you have a ground for suspicion, there you refuse?—Yes; or if the risk is of an excessive nature, such as in my opinion, would not pay.

749. Have you had in your experience, to pay much for property insured for more than its real value?—There is no doubt we have been very much imposed upon, the same as the other offices, but the offices are exceedingly loth to appear as litigants in cases of claims.

750. Mr. *Turner.*] You do not like to get a bad name, in fact?—No, that is it.

751. Mr. *Kinnaird.*] Is it not the experience of the first offices, that the sympathies of juries are generally with the insurers and against the offices?—I dare say that is true to a certain extent, but at all events they are apt to use the argument, "Here is a public company against an individual."

752. And they make the company pay?—Yes.

753. Mr. *Gorst.*] Suppose a cabinet maker were to come to your office and say, "I have property in my shop worth 500 *l.* or 600 *l.*," would you take his word for it?—I would not insure him on any terms; I decline all workers in wood.

754. Take the case of a warehouse which you would insure; the proprietor of the warehouse declares the value of his goods to be so many hundreds of pounds, would you take his word for it, or do you send a surveyor down to value the goods?—If we consider him a respectable man and his name appears in the "Directory," it is ten to one if we survey his property, unless there is a peculiarity about his business.

755. *Chairman.*] But if you found a person giving in his property at a greater value than your surveyor considered it worth, you would think that a ground of suspicion, would you not?—Yes; I have occasionally looked into places where they have wished to increase the amount of the insurance, and I have declined to increase it.

756. Mr. *Agar-Ellis.*] You have seen personally nothing of the working of the present fire brigade?—No; we get a daily report of the fires that occur on the previous night.

757. What is the belief in your office with regard to the efficiency of the present fire brigade as compared with your own brigade?—I could not give you an opinion, as I have not seen them in operation. His Royal Highness the Prince of Wales would give you a better opinion on that point.

758. You do not believe them to be less efficient, do you?—I believe Captain Shaw is a most excellent

excellent man for his position, and he had a corps ready-made for him, well disciplined by the late Mr. Braidwood.

759. *Chairman.*] Suppose there is a railway accident, an investigation is ordered into the causes of that accident?—Yes.

760. And if a vessel is destroyed, there is also an inquiry made by the Board of Trade into the loss of that vessel?—Yes.

761. Do you think it would be advisable to put the investigation into the causes of fires into the hands of the Board of Trade instead of into that of a coroner?—That never occurred to me; it is immaterial, if it is put into an efficient quarter, what quarter it is.

762. The reason of an inquiry being held into a railway accident, and into the loss of a vessel, is, that there is a destruction of property and a risk of life, is it not?—Yes.

763. Now in case of fire, there is also a destruction of property and a risk to life?—Yes.

764. Consequently you think there ought also to be an inquiry into the causes of a fire?—Yes.

765. The honourable Member for Finsbury put the question thus to you; that if his carriage came against another gentleman's carriage in Bond-street and injured the other carriage, he was responsible for the damage done?—I expect that you would get a little conflicting evidence between the coachmen. I do not know; it would depend on the evidence, I suppose.

766. Supposing that the horse ran away and came against the other gentleman's carriage, then you would say that the owner of the horse would be responsible for the damage, would you not?—I should say so.

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767. In the case of a fire where a house is being destroyed, and the adjoining house to it is also being destroyed, would you reckon the man in whose house the fire originated to be responsible for the damage done in the second house?—I do not see that that is a matter on which I could give an opinion; it would depend on the law.

768. That is not the law in England, at all events?—No.

769. Are you aware of that being the law on the Continent?—No.

770. You are not aware how claims are settled in France, for example?—No, not positively; I have heard that a public officer receives the amount from the insurance office if there is any difficulty, and settles for the office.

771. Suppose it to be proved that it was a case of carelessness where a fire occurred in the first house, do you think that the proprietor of that house would be responsible for the damage done in the second house?—It is a mere matter of opinion.

772. Do you know the law on the subject?—I do not know that there is any law in the case; in the event of both houses being insured in different offices, the two offices would be responsible, each for each.

773. Is there anything which you would wish to add to your evidence?—I do not know that there is anything.

Mr. Charles Fowler, called in; and Examined.

774. *Chairman.*] You are an Architect and District Surveyor, under the Metropolitan Building Act?—I am.

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775. You would classify the provisions of that Act into three parts?—Yes, with regard to this particular subject, it may be fairly so divided.

776. What are those classes?—With regard to three classes of buildings, that is to say, private dwelling-houses, warehouse buildings, and public buildings.

777. In the first class, the question of the construction of buildings would relate mainly to the party-walls between houses of different occupations?—That is one of the most important points.

778. But there are also clauses relating to the divisions of the apartments in the same house, and under different occupation in the same Building Act, are there not?—Yes, there are, where the buildings are beyond a certain area.

779. Are there any other provisions in the Act relating to private dwelling-houses, for instance, with regard to heating?—Yes, with regard to flues, fire-places, and hearths.

780. And coverings of roofs?—Yes, and the position of timber with regard to the flues, fireplaces, and smoke pipes; some of them are applicable to other buildings also.

781. Could you recommend any alteration in those provisions, that would be for the public good with regard to fires?—I have not considered the subject sufficiently to make any important suggestions; I do not think that it is worth troubling the Committee with things that pass through one's mind as possibilities, but no doubt the construction of private dwelling-houses might be much improved, if you could persuade the public to adopt the necessary measures, but it would unfortunately, in almost all cases, I should think, involve additional expense; and for the particular class of people whom you want to protect, the expense is an important object; that is to say, in small class houses; in first-class houses you scarcely ever have a fire.

782. Could you not make it compulsory by Act of Parliament?—Yes, if you could get it passed.

783. Do you think that there would be any difficulty in getting an Act of Parliament, by which the life and property of people in towns might be protected from fire?—I should imagine there would be very great difficulty, but the Committee can judge better of that than I can.

784. In what class of private houses do you find that fires occur; is it in houses that are wholly dwelling-houses, or those that are a combination of shops and dwelling-houses?—I believe (though I do not speak with the experience of a surveyor to a fire office) that fires in the latter class of house are far more common; I find cases in my district of fires in dwelling-houses are almost always where there are shops.

785. Does the fire commence in the shop generally?—The fire generally commences in the shop.

786. The shop is generally on the ground floor, and the dwelling-house above?—That is so.

787. Of course, in such cases, there is often great risk to life, and often great loss of life?—Very much so; even in small buildings there is a very great risk to life.

788. As an architect, could you suggest any improvement in the building of such houses?—I do not think I could suggest any original one; but

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but one has been suggested before; that is to say, the construction of the floor as the most important thing; we generally believe, and it has been stated over and over again, that if you can get a sufficient thickness of plastering to adhere to the wooden beams or joists, you create a most effectual protection against fire.

789. Is there a provision to that effect in the Metropolitan Building Act?—No, there is no such provision in the Metropolitan Building Act.

790. Would you recommend anything else; such as a brick arching, instead of a wooden ceiling; could you not make the ceiling of a shop fireproof?—I believe that if the space between the joists or beams over any floor were partly filled in with concrete, or plastering, made sufficiently strong, and supported by iron bars or small pieces of wood properly fixed between the joists, and the ordinary ceiling were plastered underneath, it would require a much more severe fire than usually takes place to pass through the floor.

791. You consider plaster, as at present made in this country, a good non-conductor of heat?—When well made, it is one of the best non-conductors of heat.

792. I suppose the plaster is composed of sand and lime?—There is too much rubbish put into the ordinary plastering.

793. What kind of rubbish?—Rubbish from the buildings; dirt and dust, or earth even in new buildings out in the suburbs; the plastering requires to be made with lime and hair with sand and a certain proportion of plaster of Paris.

794. You think that it is an advantage adding plaster of Paris?—Yes; in Paris it is used exclusively, and that makes an exceedingly powerful resistant to fire.

795. Mr. *Lanyon.*] I suppose it is to such floors as those that exist at Paris that you especially refer?—No, because they are not suited to our mode of construction; they are too expensive on account of the increased cost of the plaster of Paris. What I mean more particularly is what is called pugging between the floors, which is a very great protection.

796. *Chairman.*] Would you recommend putting iron beams to such roofs, or do you think that good plaster is quite sufficient?—I think that wood and good plaster are quite sufficient.

797. And perhaps superior?—That is a point on which the Committee could get better evidence than I can give.

798. But as an architect, that is your opinion?—Yes; I should prefer in most cases to have oak beams, if well protected by plaster.

799. The second class of buildings are warehouse buildings?—Yes; the only special clauses with regard to these in the Metropolitan Building Act are as to the limitation of the size of the cubic contents; all the other provisions are much the same as for dwelling-houses, as far as they apply.

800. Then, with regard to public buildings, I presume you mean public halls and theatres?—Yes; there is a definition in the Act which is not perfectly clear, but it is generally understood that it means buildings for the use of the public—churches, lecture halls, and so on.

801. What are the provisions in the Act which relate principally to the construction of such buildings?—All the ordinary provisions referring to other buildings also apply to public buildings, but, in addition, all accesses, stairs, and corridors are required to be constructed of stone, with iron or fireproof supports.

802. Is there anything said in the Act about having any particular number of doors for the egress of the people?—Nothing.

803. You think that that would be a great advantage in theatres, for instance?—Yes, that is very important. The construction generally of public buildings is placed in the discretion of the district surveyor, it having been found difficult to define it with regard to such very various purposes as public buildings are applied to; but he has no power to regulate the arrangement, it is only the construction.

804. Mr. *Lanyon.*] Has the district surveyor any power of regulating the number of doors in public buildings?—No.

805. *Chairman.*] If there were to be a new Metropolitan Building Act, you would think it advisable that such recommendations as you made just now should be inserted in that Act?—I believe that some have been already inserted in the Draft Bill for amending the Act.

806. I believe that in some parts of London, there are large lodging-houses erected?—Yes, in several parts of London, there are lodging-houses erected.

807. Are there warehouses in the under part of the building, while in the upper part of the building the parties connected with the warehouses are lodged?—I think that that is not a very common case; they are usually buildings of dwellings for several families in one large block. I do not know any instance of such buildings being erected with warehouses under them, except in the cellars.

808. Then take the case of such a house as you describe; is there any provision in the Metropolitan Building Act to compel proper means being taken for protecting life in case of fire in such a building?—No, except the rules of construction which I have already alluded to; if the buildings exceed a certain size, there are certain rules provided that the floors and the walls between such separate tenements must be fireproof.

809. Are those lodging houses generally very high?—They consist of four storeys generally.

810. The present means that they have for saving life by the fire-escape machines would not reach to the upper storeys, would they?—I do not know practically; I think the fire-escape reaches up to all but one storey, however.

811. But you think it would be advisable for the Legislature to compel the adoption of some means for saving life in those large buildings that are erected for the accommodation of numerous families?—No doubt it would be advisable to adopt some means.

812. You would not think that that would be an interference with the rights of the subject?—It would be an extremely desirable object, but I hesitate in answering because I see so many practical difficulties.

813. There were certain Acts of Parliament passed before the Metropolitan Building Act was passed; for instance, the Act of Geo. 3, c. 78; were any of the provisions of those Acts introduced into the Metropolitan Building Act?—Only those relating to the keeping of fire-engines and fixing the fire-cocks on the water main, and so on; there were no structural provisions that those relating to the erection of buildings within certain distances of other buildings in which dangerous trades are carried on, and those are still in force.

814. There

814. There were some clauses in those old Acts inflicting very severe punishments for carelessness on the part of servants and others when a fire took place?—Yes.

815. Were those clauses repealed, or are they introduced into the Metropolitan Building Act?—They are not repealed; they are scheduled to the present Act.

816. But they are practically obsolete, are they not?—I do not recollect hearing of their ever being acted upon.

817. In framing a new Act, would it, in your opinion, be desirable to introduce such clauses?—I should think so.

818. Have you paid any attention to the Liverpool Building Act?—I have got it before me, and I have paid some attention to it. With regard to the general subject, there are two such Acts; one is more particularly a Building Act, and the other is special with regard to warehouses.

819. Do you think it would be advisable to introduce some of the provisions of those Acts into the Metropolitan Building Act?—I think it would be; in fact, there are many of them relating to warehouses, the substance of which is introduced into a Bill which is proposed to be brought before the House this Session.

820. From what you know of the working of that Act in Liverpool, you would perhaps think it advisable that similar Acts should be introduced into all mercantile towns?—I cannot speak from experience of the working of the Act at Liverpool; but it has been in operation since the year 1843.

821. In what class of buildings do you find the most extensive fires generally occur?—In warehouses.

822. But I suppose there is seldom any loss of life there?—Very rarely indeed. It is seldom that they are inhabited in any way.

823. You are of opinion that the fires are more frequent in those houses where shops are combined with dwelling-houses?—That is my experience.

824. Mr. *Agar-Ellis.*] With regard to private houses, what is your opinion of the brickwork that is usually put into small dwelling-houses in the suburbs of London; is that brickwork good or not?—It is apt to be very bad.

825. You cannot make use of the Act to force it to be good?—No; the quality of the bricks is not described.

826. But the thickness of the wall is laid down, is it not?—Yes.

827. What is that?—It is varying, according to the length and the height of the wall.

828. Do you consider that thickness in general sufficient to resist an ordinary fire, if the wall be composed of good brickwork?—Yes, I think so.

829. You consider that it is sufficient, under ordinary circumstances, to prevent any very serious cracking, or letting the heat go through into the next house?—If the brickwork is good, it is quite sufficient.

830. But as the brickwork is at present, that is not the case, is it?—Sometimes it is not.

831. In any new Act, you would not make the thickness of the walls greater if you could insure the brickwork being good?—Not on account of fire.

832. With regard to plaster roofs, I suppose you mean what one sees in the country, particularly in old houses, the hall floor being covered with plaster?—That is also a good thing, but that is put on the top. The great thing is to protect the beams on the under side. A fire will take a long time to burn through an ordinary floor downwards, provided there is no draught; but upwards, if there is a large quantity of material or furniture in the room, and it is not very high, the ceiling is exposed to a great heat. An ordinary ceiling will resist a very considerable heat for a considerable time, but in order to make it more fireproof, the thing is to get thick plaster for the ceiling, and that you cannot put on in the way in which it is now done.

833. You want a thick ceiling of non-conducting material?—Yes.

834. The thicker it is the better it is; but it is a question of expense?—Just so. It is not merely the extra quantity, but it is the way in which it has to be put in, partly from the top and partly from the bottom.

835. That is extra labour?—Yes.

836. And extra expense of course?—Yes.

837. That would make a considerable difference in the cost?—Yes.

838. But that plaster floor that I spoke of, you would consider very useful to prevent fires from going from the lower to the upper rooms, would you not?—It would be of some use no doubt.

839. And that kind of floor is not expensive?—It is not very applicable in London, for we have not got the materials at hand; it involves some extra expense, more from the additional strength required in the timber than anything else; you would require some rough boarding, and that would not be so expensive.

840. That would save something in the expense of boarding?—Yes.

841. Mr. *Lanyon.*] How is that, because the floor is now always rough on one side?—Those would be rougher materials, quite of a different quality; it would not cost two-thirds of the same amount certainly, and perhaps not much more than one-half.

842. You are speaking of the floor to support the upper floor, between the joists?—Yes, or on the top.

843. Mr. *Agar-Ellis.*] That would require slightly stronger beams but a less expensive flooring, is that so?—Yes.

844. And it does not cost anything to signify more than a common flooring?—No, if the labour is readily obtained.

845. Of course this would not burn in the same way as a common floor, and it would resist the heat longer?—Yes.

846. Mr. *Gorst.*] Do you find any difficulty in enforcing the provisions of the Metropolitan Building Act?—Yes.

847. How?—The judges before whom any disputed cases must be brought are the police magistrates, who are apt to take very different views with regard to the meaning of the provisions; in some instances, the views which the magistrates have adopted, and which therefore the district surveyors have been obliged to act upon, have very much interfered with the efficiency of some of the provisions of the Act.

848. Will you give the Committee an example?—The extent of warehouses is limited by the Act to 216,000 cubic feet; but some of the decisions of the magistrates have the effect that each floor must be considered a separate warehouse, and consequently a warehouse may be very much larger than the Act contemplated.

849. Then is there practically a different Building Act in operation in different police districts?—

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To some extent that may be said to be so, but as the magistrates change you can hardly put it in that way.

850. A new man may give a new interpretation of the law, and so alter its practical working?—Just so.

851. Do you think that the magistrates have any bias in favour of the builders?—The magistrates say almost invariably that it is a highly penal Act, and that the defendants must have the benefit of every doubt. There are so many technical doubts raised by the gentlemen of the legal profession who do not understand the technical points, but only the law as it is before them. The magistrates are in the same position, they only understand the wording of the law which they have before them, and the result is that very curious decisions, as we think, are arrived at.

852. Is that the only cause of difficulty in enforcing the provisions of the Act, or can you mention any other practical difficulty?—I do not, at this moment, remember any other practical difficulty of importance.

853. Do you think that the provisions of the Act are often eluded?—Very much so.

854. How does that arise?—From the great difficulty of defining, by words, matters of construction.

855. Do you think that infringements of the provisions of the Act escape your own notice, for example?—That may be the case, because the district surveyor is only supposed to visit a building from time to time; he is only paid a small fee.

856. Between one visit and another an infringement of the Act may have occurred, and it may be covered up, and escape your notice?—Yes.

857. Do you think, then, that there should be a greater number of surveyors, and more frequent visits paid?—I do not think that is necessary. A greater power might be given, perhaps, to the district surveyor, the power of being enabled to investigate the construction where it is covered, which at present only exists in one particular case.

858. What is that particular case?—Where the work has been done without the builder having given due notice.

859 It is, on the whole, your opinion that new houses in London are not built altogether according to the provisions of the Metropolitan Building Act?—Some of the provisions are frequently evaded, particularly with regard to materials.

860. Mr. *Lusk.*] Where is your district?—St. Giles's and Bloomsbury, a central district.

861. Looking at the Metropolitan Building Act from a fire point of view, are there defects in it which you think might be remedied by an Act of Parliament?—I do not think that very much could be done in the Building Act, with the exception of two or three points. I have already mentioned one with regard to public buildings, and power might be given to the district surveyor, or some other official under the Act, to enforce the provision of proper entrances (the Lord Chamberlain has some discretion in that matter, but it has not always been exercised); and then we should not have the theatres in London with such very inefficient means of egress and entrance. Another point is this: something might be done to provide proper means of escape from the upper part of dwelling-houses or inhabited buildings; and some provision might be made, perhaps, with regard to common stoves; not stoves built into the wall, but close stoves outside, which are put up very often in a very dangerous manner, and there is no control over them. Then, again, with regard to the flues of kitchen ranges, there is no sufficient provision in the present Act; the flues are treated only as other flues, and from the present close ranges the danger is as great as from boilers for manufacturing purposes, which are specially provided for.

862. You think, in those respects, the Act might be improved, with regard to fires?—Just so.

863. Upon the whole, looking at that Act, are its provisions pretty well observed in the buildings now going on?—Yes, except in some points.

864. Do the surveyors do their duty, as a rule?—That is a question which you ought not to ask me, I think. I do mine.

865. I find the builders generally say that the surveyors are exceedingly particular; do you think, on the whole, that the walls are thick enough?—Yes, for the purpose of fire.

866. And the stairs?—There is no provision as to the stairs, except with regard to public buildings.

867. Could you suggest any improvement in that respect?—There is no doubt that the stairs of private houses might be much improved in construction with regard to fires, but how far it would be practicable to put such a thing into an Act of Parliament, I cannot say. I think it is a very doubtful question.

868. As a practical man, do you see any means which we now neglect that your experience could suggest for that purpose?—I cannot suggest anything with regard to staircases.

869. With regard to gas, have you any suggestion to make; do you think that enough care is taken in laying on gas in houses?—I think it is often very badly done.

870. Do you know anything about the country; have they got a Surveyors' Act in the country?—I think there is no Building Act except the Liverpool one; I never heard of one.

871. Do you think it would be desirable to have an Act of Parliament applying to the whole country?—It would be impossible, in my opinion.

872. Do you think it is possible to apply a Sanitary Act to the whole country?—It may be.

873. Then where is the great difficulty with regard to a Building Act?—Because buildings are made of different materials in different parts of the country. They are totally different from the buildings in towns, generally speaking. Consequently, the rules applicable to one place do not apply to another.

874. Do you think it would be desirable to have a general Act, that would apply to every place?—Not for general building purposes; but with regard to fire prevention only, it is another question.

875. My question simply refers to fire prevention?—I should not call that a Building Act, but there might be some provisions no doubt with regard to flues and two or three other points, which might be applicable equally to town and country.

876. Looking at the building of warehouses, do you think that the warehouses in London are constructed in the best possible way now?—There are many different experiments, but certainly

ainly some of the large fires of late years have ended to show that they are not.

877. Do you think if a fire once takes place in a warehouse with plenty of combustible materials, that there is any possibility of stopping it by construction?—It is open to great doubt, except by limiting the size.

878. What do you mean by limiting the size?—Limiting the cubic contents.

879. You think it desirable not to have large cubic contents?—Certainly not.

880–1. You think that by having smaller cubic contents, you confine the fire to the place where it breaks out?—You have a greater chance of doing so. The best way is, to separate the warehouse into so many compartments with vertical walls.

882. Without doors of any kind?—Just so

883. Are there any objections to iron doors?—It is better without them.

884. Lord *Richard Grosvenor.*] You must have some means of communication?—Yes, by external galleries, for instance, or staircases; the Liverpool Act provides something of that kind, for communication between the different parts of the warehouses.

885. Mr. *Lusk.*] You said something about the magistrates putting different interpretations upon the Act of Parliament?—Yes.

886. Do you see any remedy for that?—No; except the one that is proposed.

887. Does the fault arise from the bad construction of the Act, or from the bad interpretation of the magistrates?—It is certainly not from the latter cause only.

888. Is it the fault of the House of Commons, or the bench of magistrates?—I think it is the fault of the person who drew the Act, in a great measure.

889. I suppose the constructions are not more different than those of Her Majesty's judges in construing other laws?—I think the difference is greater, because the matters generally under their consideration are not so important, and they do not receive that careful consideration which important matters would receive by Her Majesty's judges.

890. Do you not think the magistrates quite right, in case of doubt to give the defendant the benefit of the doubt?—Yes, I presume there is no other way of settling it.

891. Lord *Richard Grosvenor.*] With regard to the dock warehouses, have you had any experience of them?—Not as a private architect.

892. Have you had any experience in large wholesale warehouses in London, such as the Manchester warehouses?—I have had some experience.

893. The Act is constantly eluded in those warehouses with regard to the cubic contents, is it not?—If that has been so under the present Act, it ought not to be.

894. But still there is an evasion of the 216,000 cubic feet?—The last Act was frequently evaded.

895. With regard to the difference between retail and wholesale?—Yes, but now the definition is such that it includes all such places as are used for the purpose of trade or manufacture.

896. But still there are many of those warehouses in London which have certainly more than 216,000 cubic feet, are there not?—I do not know of the particular instances, except those cases where the law has been evaded in the manner which I referred to just now; that is to say, the magistrates' view was that the different floors were separate buildings, and of course at that rate you can evade the Act to an enormous extent; but there is one other way in which several cases have occurred of the evasion of the provisions of the Act, namely, it has also been held that the provisions did not apply to additions to buildings existing before the passing of the Act.

897. You mean to what are called old buildings in the Act?—Yes; the consequence is that you may make the old building as large as you please.

898. But still no part of those additions must have any larger contents than 216,000 cubic feet, or you would have the right to interfere?—No; it has been held not to be so.

899. Has your attention been called to fireproof structures?—Yes; I have studied the subject a little.

900. Have you arrived at the opinion that there is such a thing possible as a fireproof structure?—It is very doubtful.

901. The real way to make fireproof structures is to confine the space as much as possible, is it not?—That is the best practical way.

902. And to improve the ceilings as you have mentioned?—That is an improvement on the common plan.

903. You have mentioned that you prefer oak beams to iron girders for ceilings?—For moderate spans, because fire does not act on oak as it does on fir.

904. But take oak compared with iron?—Iron, if it is cast, will snap if suddenly chilled, and wrought iron is very apt to twist, and it loses a large portion of its strength the moment it becomes heated, which the oak does not.

905. You think that an oak beam would last longer than an iron girder if exposed to very fierce heat for a long time?—If the oak was of proper scantling, it would stand fire better than the iron.

906. You have seen Dennet's patent roofs, I suppose?—I know the construction, but it so happens that I have never actually seen them.

907. Do you like the construction?—The construction seems good.

908. Have you power to enter any building, or have you only power to do so when you are called in with regard to alterations or rebuilding?—I have always held that we had power to enter every building, but only a few days ago a magistrate decided the other way.

909. But if any building is dangerous, you have that power, I suppose?—Yes; then there are special provisions; the district surveyors are only required to report such cases to the Commissioners of Police.

910. I presume you are never called in as district surveyor when a building has been destroyed by fire to survey it in any way?—I have several times been so called in, but there is no clause in the Act providing for such survey, and I, of course, was not bound to attend to it, but I have done so, because it was, generally speaking, by desire of the coroner, before whom some investigation was being made, and I wished to assist him, but I was not bound officially to do so.

911. Mr. *Lanyon.*] You have stated, in your experience, that fires principally occurred in shops?—Yes, fires in dwelling-houses.

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912. I suppose you referred in that case to the small class of shops?—Not particularly to the small class.

913. Up to what class of house would you carry that?—It is very difficult to define that; in my district I should say up to houses that would let for 150 *l.* per year, perhaps, but of course the value of houses varies much, according to the situation.

914. Have you made an estimate of what the increase of cost would be in the construction of floors in such a way as to meet the difficulties as to being fireproof?—No.

915. You do not think the increased cost would be a serious difficulty in the way of the investment of capital in the building of shops?—I do not think that it could be a serious difficulty, certainly.

916. Perhaps you would hand in to the Committee an estimate of the different costs of fireproof floors over shops of certain dimensions?—Yes, I will do so in the course of a few days, at so much per square. But when I say fireproof I merely mean improved floors.

917. In two or three-storey buildings, what is the thickness of the party walls, taking the smaller class of houses?—It may be as low as nine inches; it is never less than nine inches.

918. In all cases must the walls be carried up through the roofs?—In all cases the party wall must be carried up through the roofs, but only 15 inches.

919. I understood you to say, with regard to warehouses, that you had not had any very great experience in building warehouses?—No, I have not.

920. I understood you also to say that you could not give any very definite schedule. Supposing that the Building Act were to be improved, what would be desirable to be done in the amendment of that Act with regard to the prevention of fires?—I mentioned several points in answer to questions from the honourable Member for Finsbury. It is important to refer to the absence of provisions in the present Act to prevent the common chimney flue from being used afterwards as a flue from the furnace of a boiler, which, of course, is much more dangerous.

921. Mr. *Lush.*] Will you hand in a memorandum of those suggestions?—With the exception of the fixing of common stoves, they are all embodied, or have been mentioned in the Bill which is being prepared by the Metropolitan Board of Works.

922. Do you know whether that Draft Bill before the Metropolitan Board of Works contemplates anything specific with regard to the building of warehouses?—Yes, the main provisions of the Liverpool Building Act are embodied.

923. Does it take up the question of communication by outside galleries?—It does; according to that Bill there are to be no communications through the party walls.

924. You have stated that you find it difficult to enforce the provisions of the Metropolitan Building Act; in what special ways do those difficulties arise?—One I mentioned was, the difficulty which is raised by the contradictory decisions or views of the magistrates with regard to the manner in which some of the provisions of the Act are drawn up; the meaning of some of the clauses is not clear.

925. What power have you of inspection?—I believe that the district surveyor has power to enter any building where he reasonably suspects that there is work going on, whether he has had notice of it or not.

926. Have you any power to open a wall to see whether the timbers are improperly let into the wall with regard to flues, or anything of that kind?—Only in one case, that is to say, when a builder has not given notice; there is no other provision that I know of.

927. How often are you supposed to visit a building under those circumstances?—The Act specifies that it shall be surveyed as often as it may be necessary; it is impossible to answer exactly, because some buildings proceed rapidly; a man runs up a house in three weeks, whereas another takes three months.

928. But I refer to the difficulty of superintending a work with a view to seeing the provisions of the Act carried out; what is, the protection that the inspection by the district surveyor gives to that portion of the inquiry which interests us, namely, the protection of property and life from fire; for instance, seeing that the timbers and the flues are properly constructed relative to each other; that is a thing that could not be very well done without a constant system of inspection?—Not altogether; but the mere fact that the district surveyor may come in at any moment will deter many parties from attempting to do anything wrong; I believe that, in most cases, it is more the negligence of the workmen than anything else which causes an infringement of the Act in detail.

929. But have you the power of opening the walls to see whether the timbers are improperly let into the wall with regard to the safety of the flues, or anything of that kind?—No, only when the builder has not given due notice.

930. *Chairman.*] Is there anything that you would wish to add to your evidence?—No.

Thursday, 11*th April* 1867.

MEMBERS PRESENT:

Mr. Agar-Ellis.	Mr. M'Lagan.
Mr. Beach.	Mr. Miller.
Lord Richard Grosvenor.	Mr. Read.
Mr. Kinnaird.	Mr. Turner.
Mr. Lanyon.	Mr. Whitmore.
Mr. Lusk.	

PETER M'LAGAN, Esq., IN THE CHAIR.

Mr. CHARLES JOHN BUNYON, called in; and Examined.

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931. *Chairman.*] I BELIEVE that you are a Barrister?—I am.

932. And connected with the Norwich Insurance Company?—Yes; I have been connected with the Norwich Insurance Company for many years.

933. What office do you hold in that company?—I manage their London business.

934. In what capacity?—As general manager.

935. I presume you have studied the law of fires in this country?—Certainly.

936. Will you state to the Committee what the general legal liability with regard to fires is?—By the common law every person is responsible for the care of his fire, but that common law is modified by the statute law, which provides that no person shall be responsible for any fire which shall accidentally begin in his premises.

937. Supposing that a person set fire to some heath land on his estate to burn his heather or his gorse, and the flames communicated to the house of his neighbour, would you hold that that man who set fire to his heather or gorse, is liable for the damage done to the house of his neighbour?—Yes, there has been a case to that effect.

938. That a person setting fire to heather was found liable for damage done to the house of his neighbour?—Yes; it was held that accidental could not mean anything intentionally done.

939. Is it not frequently the case that a spark of fire from railway engines passing along sets fire to a house in the neighbourhood?—Yes.

940. Does the law hold the railway company liable for the damage done to that house?—Generally speaking, it does; but there are some considerations with regard to railway engines which must be taken into account; namely, that the railway Acts by statutory powers, and it has been held that the railway company is only responsible that proper care shall be taken in managing the engine. In any case in which damage was done by an engine, if the jury found that proper care had not been taken in managing the engine, the railway company would be held, and they repeatedly have been held, to be responsible.

941. That is the case, even though the house destroyed may have been insured in some insurance company?—Yes; the being insured or not insured makes no difference.

942. I presume that if a house were insured, the insurer would have a claim first on the insurance company?—Yes.

943. And the insurance company would then have a claim on the railway company?—Yes; I apprehend that the insurer would have a claim either on the insurance office or on the railway company, as he chose; he can always exercise his choice.

944. He would have a claim on the office, and the office would have a claim on the railway company?—Yes, the office would stand in his place.

945. The insurance company, you said, would have a claim against the railway company in some cases?—Yes, the insurance company would have a right to bring an action in the name of the person injured, and to recover the amount of the damage; the office being, as it were, surety for the loss.

946. What do you mean by proper care in a legal point of view?—I believe that the cases generally depend on the evidence with regard to the mode of the construction of the engine, and the way in which it has been driven.

947. Is there anything about burning coal or coke in the engine?—No; I should imagine that if it could be proved that coal was burnt in an engine which threw out a great amount of sparks, that would be a question for the jury to consider.

948. Or, I suppose, if the railway company insisted upon having a grating upon the top of the funnel, that would be proper care, even though they burnt coal?—That would be a fact in favour of the company.

949. In case of a house being set on fire during a riot in a town, who would be liable for the damage done to the house?—Generally speaking the district or hundred would be responsible by the Statute; the insurance offices except cases of civil commotions by the conditions of their policies.

950. Is it necessary, in the case of damage done

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done to a house in that way, that it must be proved that it was the intention to destroy the house?—It has been so held.

951. Suppose a house set on fire by the negligence of the servant, and in consequence a neighbour's house is destroyed, would the master and the servant be liable for the damage done to his neighbour's house?—I do not think the liability has ever been enforced in practice.

952. But is the master liable by law?—I think he would be.

953. Is not that the law in France?—I believe it is.

954. I believe that the consequence is, that a man insuring his own house is bound also to insure his neighbour's house?—Such is the practice, I am informed.

955. There have been several statutes passed for preventing and extinguishing fires in this kingdom, have there not?—Yes, there have been a variety of statutes.

956. Are you prepared to give evidence on those statutes?—I think I am; I cannot be quite certain that I shall remember them all.

957. I presume you are aware of those statutes that refer to the metropolitan district, including the City of London?—Yes.

958. One of those statutes is the Building Act itself, is it not?—Yes.

959. Do you remember into how many parts that Act is divided?—No, I am afraid I do not; it is five, I think.

960. There is one part of the Act which exempts certain buildings from its operation, is there not?—Yes.

961. What are some of those buildings?—railway stations, public hospitals, and buildings belonging to any dock or railway company.

962. And lunatic asylums, I believe?—I think so.

963. The Act relates to the regulation and supervision of buildings?—Yes, it is considered to relate to the construction of buildings.

964. And also to the alteration of buildings?—Yes.

965. With regard to party walls, does it make certain restrictions with regard to their thickness and their height?—Yes, it provides that party walls shall depend upon the height of the building, and it places most of the details of the Act under the management of the district surveyor.

966. It provides for the proper placing of pipes, stoves, flues, staircases, and so on?—Yes.

967. There is another part of the Act limiting the size of warehouses, is there not?—There is.

968. Has that Act been evaded at all in your experience?—I believe that it has in a variety of ways.

969. Will you be good enough to mention some of the ways in which that Act has been evaded?—I am told that persons ostensibly comply with the Act by putting up iron doors; for example, to divide certain portions of the buildings from others in order to bring them within the quantities of cubic feet which are allowed, and then they either systematically leave the doors open, or even take them down altogether. That is one example.

970. Could they be punished for that evasion?—No, I think not.

971. Who has the charge of the carrying out of the Act?—The district surveyors.

972. Are they particular in the discharge of their duties, do you think?—I believe they profess to be so.

973. But have you found them so in your experience?—My experience does not relate much to buildings.

974. Before what tribunal is a district surveyor obliged to bring a man who has transgressed the Act?—The police magistrate.

975. Is it found generally that the decisions of the police magistrates are uniform?—I think not.

976. And, consequently, some dissatisfaction has been felt with regard to the operation of the Act?—I imagine it is held to be somewhat uncertain.

977. Do you think that any improvement could be made in the present Act?—I believe that it is the opinion of Captain Shaw that the Act is faulty in many respects. I would refer the Committee to Captain Shaw on that subject.

978. One part of the Act, I believe, empowers certain parties in London, the Police Commissioners, and others, to cause structures that are in a dangerous state to be surveyed and pulled down. Does the word "dangerous" apply to danger with regard to fire as well as to any other particular?—No, the word "dangerous," as it is used in that part of the Act, would apply to buildings likely to fall.

979. Not to any buildings made dangerous by fire?—Yes, if made dangerous by fire, certainly.

980. In the event of the walls becoming shaky?—Yes; a fire might be the cause, or effluxion of time might be the cause, of course.

981. I believe that one part of the Act relates to the pulling down and re-building defective party walls in houses?—Yes, it does.

982. At whose expense would such an operation, such as a wall being pulled down and rebuilt, be carried out?—I think at the expense of the adjoining owners.

983. The Act of 1865 provides also for the fire brigade, does it not?—It does.

984. This fire brigade was formerly not under any particular Act, I believe, but under the superintendence of a different body?—It was superintended by a voluntary association of the fire offices.

985. It was not until when, that it was brought under its present management?—Not until the year 1865.

986. It provides also for the salvage corps?—It does.

987. By whom is the salvage corps paid?—By a similar association to that which formerly supported the engine establishments, namely, the fire insurance offices.

988. Entirely by them?—Yes.

989. But the fire brigade is not supported now entirely by the fire offices?—No; the fire brigade is supported by public moneys, namely, by a rate, by an annual contribution from the Exchequer with regard to public buildings, and by a tax on the insurance offices.

990. And the Act also provides for fire escapes, does it not?—I think only permissively.

991. Are you aware whether the Metropolitan Board of Works has provided any fire escapes?—I am not aware of that; I think not.

992. The fire escapes we have at present are under voluntary bodies, supported by voluntary subscriptions?—Yes.

993. Does the Act give the Metropolitan Board

Board of Works any power with regard to water plugs?—It does.

994. Are there also certain Acts connected with the protection of life and property from fire, applicable to places beyond the metropolis?—Yes, there are, but they are all permissive, or have been so, being either private Acts obtained by great cities, such as Liverpool and Manchester, or public Acts in the nature of Consolidation Acts, which are incorporated in private Acts; then again the Local Government Act of 1858 may be adopted or not, by the authorities of any district.

995. Are you aware of their having been adopted by many municipal districts or public bodies in cities?—No, I am not.

996. But in those General Acts, such as the Local Government Act of 1858, there is a provision as to the structure of walls that new buildings should be built in such a manner as to prevent fires, or the spreading of fires as far as possible?—Yes.

997. Are there any general Acts in existence for establishing and keeping up fire engines throughout the country?—Certainly not; only what we have already referred to.

998. But there are some special Acts to which you have referred, such as those at Liverpool?—Yes, the brigades become departments of the borough or city police in those places, and their proceedings are governed by those private Acts, which they have obtained for their own protection.

999. Have you any knowledge with regard to the operation of the Local Act in Liverpool?—I have understood that it answers exceedingly well.

1000. Can you tell the Committee the main provisions of that Act?—I should prefer referring the Committee to the Act itself.

1001. With regard to Scotland, are you aware of there being any Act in existence for the placing of fire cocks and water pipes?—I am not very well acquainted with the law of Scotland.

1002. I suppose in one of the Metropolitan Acts there would be provision for the storing of dangerous substances in warehouses?—That subject has attracted the attention of the Legislature even during the Session preceding the present.

1003. Was there an Act passed last Session?—There was an Act passed last Session, intituled "The Nitro-Glycerine Act," which arose from an apprehension with regard to the storing of explosive substances; and there is a similar Act known as the Petroleum Act, of an earlier date, those two Acts applying to the storing of those dangerous substances.

1004. Are you aware whether there is any evasion of those Acts?—I do not think there is.

1005. Do you think that the law is strict enough with regard to the storing of dangerous material at present?—I have no reason to suppose the contrary; I think it is.

1006. Is there any special Act, for example, about the storing of turpentine?—I think that article would be found to be included among the dangerous substances.

1007. Taking the Petroleum Act, I understand that there is a provision in that Act that not more than 40 gallons shall be kept within 50 yards of a dwelling house or building in which goods are stored, except in pursuance of a license; are you aware of there being in any Act any similar provision for the storing of turpentine?—I am only aware of the Acts already mentioned.

1008. Could you give the Committee a legal definition of arson; is it the malicious burning of the house or property of another?—Yes.

1009. Does the law make any difference between arson and incendiarism?—The recent Act which consolidates the law relating to felonies applies the same penalties for setting on fire with intent to defraud, as for arson.

1010. The law makes no difference between arson and incendiarism?—It does not.

1011. Will you kindly give us also a legal definition of incendiarism?—I should say that incendiarism would be a word quite of modern date; but if you wish to define incendiarism, it would be simply an extension of arson, by saying that it is a malicious burning of property, either of another person or a man's own property, the intent being either to injure or defraud another.

1012. You would say that incendiarism is a generic term, and arson is a specific term?—Yes, arson being a word of art in English law, and incendiarism not being so.

1013. To render a man liable to be punished for arson, is it necessary that the property should be burnt, or that he should have merely an intention of burning, or should have made only an attempt to burn?—The Act provides for attempts to commit felonies as well as the absolute commission of them; in fact, a man may be responsible for committing a felony, or for attempting to commit a felony, or for conspiring with another without going so far as making any attempt at all.

1014. It must be proved that there was some malice in the case, I suppose?—Malice is generally inferred from the act.

1015. But if a man sets fire to his own house you would not say that there was malice, would you?—If he was not insured I should say it was madness.

1016. But suppose a life was lost a man would be indictable for culpable homicide, would he not?—He might be even responsible for murder.

1017. In the case of fire-raising from negligence is there any punishment?—Only the civil responsibility.

1018. But for culpable carelessness is there any punishment?—No.

1019. There was once such a punishment, I suppose?—By the old Building Act servants were made responsible and punishable in the case of a fire occurring through their culpable negligence; but that section of the Act was repealed by the Metropolitan Building Act of 1865, and it is now no longer law.

1020. Then at present, suppose there was a house set on fire by the gross carelessness of a servant, if the servant had been warned previously not to do a particular act, and insisted upon doing that particular act, and the house was destroyed in consequence by fire, there is no law to punish that servant?—No, certainly not.

1021. Do you know what was the penalty for culpable carelessness under the old act?—I think it was a fine of 100 *l.* or a considerable term of imprisonment.

1022. Perhaps the severity of the punishment prevented its being put in force?—Very probably that was so.

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1023. I suppose there is a punishment attached to the crime of any one setting a house on fire with intent to defraud?—Certainly, there is a very heavy punishment.

1024. If any person was setting fire to a growing crop, or if it was done accidentally by a locomotive engine, would the company be liable for that?—The company would be responsible for growing crops, in the same way as it would be for a house; as regards a criminal act, that would be provided for by the statute.

1025. Can you inform the Committee if there has been any great increase in the number of fires in recent years?—I have heard great complaints to that effect by the managers of insurance offices.

1026. Has there been greater difficulty found in the discovery of the causes of fires?—Not, I think, greater than formerly; the causes of fires are generally mysterious and difficult to discover.

1027. Is there any means which you would suggest for preventing the origination of fires?—Certainly; there is one very simple suggestion which should, I think, come before the consideration of the Committee. There is no doubt that a very large number of fires arise from the incautious use of lucifer matches, and a heavy stamp duty on every box of lucifer matches would probably do more to decrease the number of fires than anything else that could be done.

1028. But ordinary matches lighted by a "common flint and steel were formerly productive of considerable damage from men carelessly throwing away their matches?"—It is difficult to get fire out of a flint and steel, and if matches were less cheap, they would be more carefully preserved; the fires I spoke of are fires arising from the incautious use of lucifer matches.

1029. Do you think that such fires often arise from children having access to those matches?—I am sure they do.

1030. Is there any means which you would suggest for discovering the causes of fires, with regard to any tribunal of investigation, for example?—I think that some improvement might be made in the administration of the criminal law, which might tend to the object desired; but what appears to me necessary would apply to the case of all crimes whatever.

1031. It has been suggested that the proper party to investigate the causes of fires would be the coroner; now, what is your opinion with regard to that suggestion?—I should be averse to giving to the coroner a new jurisdiction; I imagine that a vast expense would be entailed by so doing, and the repression of crime would not be benefited.

1032. Other witnesses have suggested to us that another person should be appointed in large cities, whose sole duty would be the investigation of the causes of fires; what is your opinion with regard to such a proposition as that?—I think this is a matter which belongs to the police force, and that no special officer is desirable.

1033. You would say that in case of a fire the police should initiate any proceedings that it would be necessary to take for discovering the causes of fires?—Yes.

1034. That they should bring the case into an ordinary police court?—I think an arrangement of this kind might be made; that the discovery of the causes of criminal fires might be considered, as practically the discovery of crime generally, to be under the supervision of the police force, and I would give the management to the chief constable in every district. I would direct that the fire police should report to him every fire which they presumed was of a suspicious character, and it would then rest with the chief constable to originate any prosecution that might be necessary; and I would do no more.

1035. Do you think that if the property burnt were insured the insurance companies should take any part in the investigation?—Certainly not.

1036. You are of opinion that it should be looked upon as a public matter, and inquired into by a public officer?—Undoubtedly.

1037. You made use of the words "fire police;" what did you intend to convey by that expression?—I meant the persons entrusted with the charge of the engines.

1038. You meant the members of the fire brigade?—Yes.

1039. Another suggestion has been made for referring the investigation of the origin of fires to the Board of Trade, namely, that the Board of Trade should initiate and carry out the necessary proceedings; what is your opinion of that?—The machinery appears to me too cumbersome for the purpose contemplated.

1040. At present the coroners have no jurisdiction with regard to fires, have they?—No; it was formerly thought that they had, but it is now settled that they have not that jurisdiction, by the case of the Queen *v.* Herford, in the Court of Queen's Bench, it was decided that the coroner's jurisdiction is limited to inquiring into the cause of death.

1041. Would you recommend that the investigator into fires, whoever he might be, should be paid by fees or by a fixed salary?—If the investigation fell to the police force, it would be more proper that they should be paid by salaries.

1042. Then would you say that an investigation should take place into every fire?—Certainly not; only whenever crime could be imputed or supposed.

1043. You would leave that question entirely to the fire brigade or police to decide?—I would leave it to the police force, to the chief constable of the district. The fire brigade and the police of the district are generally the first persons who are on the spot, and they see all that can be seen; they also pick up information, and I would have them report to the chief constable of the district, and if there was any presumption of a crime having been committed, he would then employ the detective force to get information, and if necessary I would have him institute a prosecution in the usual way. The practical suggestion which I should desire to add would be this: I believe it is found that the great bar to the successful punishment of crime, is the insufficient amount of costs allowed for prosecutions. If in every prosecution the costs of the attorney were taxed upon a sufficient scale, a better class of attornies would probably be content to take up such cases, and justice would be done in a way in which it is not now likely to be done on account of the unpopularity of criminal business with attornies.

1044. In mentioning the fire brigade, do you include the salvage corps also as the proper parties

ies to give information with regard to fires?—Every person who was in possession of any evidence that might be valuable, would be a proper person to give evidence to the police constable; but I should not take any official cognizance of the salvage corps. I would leave them to come forward if they thought fit.

1045. But you would make it compulsory on the fire brigade and the police force to give information?—I would; I would have them make a return to the chief constable, by whom again an annual return might be made to some principal department of the State.

1046. Do you think it is necessary now to have such an investigation into the origin of fires; at present there is no regular judicial investigation?—No; I do not think it is; all that appears to me necessary is, to facilitate the administration of justice by apprehending and punishing the offender in the case of arson.

1047. Mr. *Read.*] I suppose you would say that an investigation of this sort into the origin of fires would tend to hinder incendiarism?—I do not think there would be any sufficient advantage in commencing a new system which would entail a great expense and great labour upon a vast number of persons; it does not appear to me to be called for.

1048. You do not think that the apprehension of a strict investigation would be the means of preventing incendiarism in any way?—I do not; I think the knowledge that the police would immedietely proceed as a matter of duty, in case of any suspicious circumstances, would have more effect upon any person proposing to commit such a crime.

1049. *Chairman.*] The police have not that power just now, have they?—The police have the power to investigate all questions of crime, but practically speaking, the prosecution of crime is imperfectly carried out in this country.

1050. You mean crime generally?—Yes. I make no distinction between one crime and another, but I think if arson has been more common of late than it used to be, it has arisen from the somewhat defective administration of justice, in the want of fit persons to take the initiative and pay the costs.

1051. But do you think if it were generally known that a judicial investigation would take place after every fire, the moral effect would not be good in the country in preventing the frequency of fires?—I think it would more likely lead to the escape of criminals, by informing them of all the circumstances that were known; and by putting them on their guard prevent the detection of evidence rather than lead to the detection of crime itself.

1052. Mr. *Agar-Ellis.*] I do not quite understand your evidence upon the subject of a house burnt in a riot; if that house is insured does the office pay?—No; it does not; the office protects itself by a condition in the policy that it shall not be responsible for loss in civil commotion or riot; the word "riot" is generally used.

1053. There is a new Metropolitan Building Act now talked of, is there not?—I believe so.

1054. Do you consider the fire brigade, as it now exists under the new Act, is efficient?—I should think highly so.

1055. You think it is more efficient than it was?—It ought to be so, having larger funds at its disposal.

1056. With regard to the size of the brigade, do you think that it is big enough for the requirements of the metropolis?—I would rather refer the Committee to Captain Shaw upon that subject.

1057. With regard to the investigation into the causes of fires, do you think it would be wise or unwise that the Metropolitan Board of Works should appoint some officer if they had the necessary Act of Parliament for such an investigation?—I think that it would be an unwise measure.

1058. Has your attention ever been called to localities where an investigation does take place into every fire; for instance, in most towns in America. Do you know whether fires have decreased in such cases?—I do not know.

1059. Mr. *Lusk.*] You are a barrister?—Yes.

1060. You have written a book on fires, have you not?—Yes.

1061. Is that on the law of fire insurances?—Yes.

1062. Then I assume that you are well acquainted with the law?—Yes.

1063. Do you think that the present law is capable of much improvement?—In some respects it possibly is.

1064. As applied to fires?—I am not prepared to recommend any improvement in the law relating to this subject of protecting life and property from fire; it appears to me to be sufficiently done already.

1065. In fact, the law is perfect, you think?—No, no law is perfect; but I think that it is sufficiently strong at present on that point.

1066. Do you not think that in some respects the law with regard to fire is a little too harsh; for instance, in making arson a capital offence?—No; I think not.

1067. It is sometimes found difficult to work a law which is too severe?—The offence is not punishable by death unless the death of some other person ensues.

1068. The penalty for wilful fire-raising is very severe, is it not?—Yes; but the crime is a very grave one.

1069. But do you not think that the punishment is too severe?—Not having regard to the system of penalties now in force with respect to all crimes in this country.

1070. I think you said that, in accordance with the common law, a fire happening in a house is an offence?—The common law holds a man civilly responsible for taking care of his fire; and if the fire does harm to another person, the man is responsible.

1071. The statute law protects a man in so far as it is accidental?—Yes.

1072. And he is not responsible?—Just so.

1073. Is that a desirable state of things, in your opinion?—Yes; it appears to me to be very consonant with justice.

1074. But take the case of an accident on a railway. If an accident happens on a railway, and a man gets his leg broken, he recovers damages against the company, although it is a case of accident?—I think that a person should not be responsible for an accidental fire.

1075. Can you draw a distinction between a railway accident and the case of an accident from fire?—As every person may suffer from an accidental fire in his house from causes quite beyond his control, I conceive it is for the public

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advantage that every person should have the benefit of the immunity which is given him by the statute; it is justice to all, because all persons have the same benefit, and it is a great public convenience.

1076. I am speaking altogether irrespective of the insurance companies?—So I understand you.

1077. You think it is a proper state of things, that if a man sets fire to his house through an accident of any kind, he should not be responsible for it?—I think there is great convenience in that rule.

1078. You think that it is a great convenience that I should suffer from the negligence of your servant?—If the negligence was that of your servant, and not of mine, you would have the same benefit in the alternative case; therefore, I think it is a great public convenience. I think that to hold a person responsible for all the damage which resulted from a fire that occurred in his house would have such very serious consequences that I think it is for the benefit of the whole community that responsibility should be limited as it now is by the statute.

1079. *Chairman.*] But by the common law he is liable?—Yes.

1080. Mr. *Lusk.*] Now, it is commonly said that incendiary fires are increasing very much; have you heard that stated?—I have no reason to believe that that is the case.

1081. It is complained very often that the law is not put in force where it should be put in force; can you give the Committee any reason why that is so?—It arises from the fact, that it is a very disagreeable task for any person to undertake the office of prosecutor, and that sufficient funds are not provided at the public expense for the costs of prosecution.

1082. You would recommend, perhaps, something like a public prosecutor, or that the fire police should bring the offender to justice?—That the chief constable of every district should receive a special instruction to investigate all questions where there was any presumption of arson. I would not give him the title of public prosecutor.

1083. Suppose that a fire takes place in a man's house, and does a great deal of damage, whom would you bring to justice in that case if he were not insured?—There would be no necessity for interfering.

1084. Is not the business transacted between a man who insures and the insurance company a contract?—Yes.

1085. And if you appointed a public prosecutor would not that be appointing an officer to take your part to enforce your contract?—The contract with the insurance office is to pay the damage and nothing more.

1086. But you want a prosecutor in case of assumed fraud, do you not?—I only desire that the public should prosecute in this case of crime, as in all other cases of crime.

1087. Would you recommend a public prosecutor for all classes of offence?—The subject of a public prosecutor has received much consideration. A Select Committee of this House was appointed in the year 1855 on that particular subject, and I would desire to refer the Honourable Member to the evidence which was taken at that time; but my proposal is something more simple than having a public prosecutor; namely, merely allowing the chief of the police in every district to collect evidence and to bring the matter before the magistrate, in which case his name, undoubtedly, would be used as prosecutor.

1088. You said that it would be desirable to bring a man to justice, and then you say there is no crime committed in the case where a man is not insured; but do you not, in that case, want some one to take the place of the insurance office to prosecute?—The insurance company is not bound to prosecute, and does not undertake to prosecute.

1089. On whose behalf would you have justice done, then?—The public's; it is a question of public interest. If a man burns his own house he commits no crime.

1090. But if he burns a house that is insured he commits a crime, does he not?—Yes; because he attempts to defraud.

1091. Then suppose a man defrauds me in any transaction, you would not have a public prosecutor to prosecute for me, would you?—If the fraudulent act was one that came within the present action of the law I would have a public prosecution.

1092. Have you attended much to the subject of fires in the country?—No; not very much.

1093. Are fires more frequent in the country than in the metropolis?—The number of fires that relate to agricultural produce is probably very great. At one time, incendiary agricultural fires were very numerous, but with that exception I imagine that fires are less numerous in the country than in the great centres.

1094. Take sugar-houses; are they more liable to destruction in the country than in London?—There ought to be no difference in the case of sugar-houses.

1095. Take theatres?—The country theatres are very often destroyed.

1096. More frequently than the London theatres?—I cannot say that.

1097. Do you think that you could beneficially apply a general Building Act with regard to fires to the whole of the country?—I have never considered that question distinctly.

1098. But if it is a very advantageous thing to have a Building Act in London, would it not be desirable to have such an Act elsewhere?—In cities or large towns it probably would be desirable.

1099. *Chairman.*] I understood you to say that there are some such general Acts: for instance, the General Act of 1847?—Yes; those General Acts require adoption by the local authorities; they are permissive until they are adopted. There is this great distinction between the country and the town, that in the country a man may build anything he pleases, which may be burnt down without injury to any but himself, and in the town it cannot be so.

1100. But he would be destroying life and property, just the same as in the town?—No doubt.

1101. I am sure you perceive that the question of the protection of life and property from fire is quite apart from any question relating to insurance offices?—Yes; it is a question for Parliament to consider. With regard to the construction of buildings I think it is for the surveyors and architects to answer your questions.

1102. Do you think that the fire brigade in London

London is efficient?—I imagine that it is very much so.

1103. Could you suggest any improvement in that brigade?—No.

1104. Are there any suggestions which you could give to the Committee, as a lawyer, for improving the law with a view to the prevention of those large fires which occur so frequently?—The only two practical suggestions that I can make are the advisability of having a stamped duty on lucifer matches, and a more sufficient allowance for the cost of prosecution in cases of arson.

1105. Lord *Richard Grosvenor.*] When a fireman, who would be supposed to be the first man to enter a building on fire, found suspicious circumstances in connection with the fire, would you suggest that he should immediately inform the police?—Instantly.

1106. And call the policemen in to judge for themselves?—If any suspicious circumstance was discovered, probably the best course would be for them to report to their senior officer; I do not at all imagine it would be a right thing for any fireman who discovered a suspicious circumstance immediately to tell the constable on duty at the time, but it might be desirable that a detective should be placed on the scent, who should be a person of much greater intelligence than an ordinary policeman.

1107. But very often in case of incendiarism all traces of the incendiarism are destroyed by the fire, and they are only seen by the fireman who first gets inside the doors; your suggestion is, that the fireman's course of procedure should be to inform his superior officer?—Yes.

1108. And his superior officer would then inform the chief constable of the district?—Certainly.

1109. And then the case would be in his hands for prosecution, or otherwise?—Yes.

1110. But taking the case of a man being prosecuted for incendiarism; suppose there were only suspicious circumstances, and that he was after all innocent, still there would be a certain amount of blame always attached to him, and the insurance offices would always have a black mark against his name?—Every man must take the chance of having it supposed that he may possibly have committed a crime; we are all open to that risk.

1111. But the mere fact would act as a deterrent with regard to incendiarism, would it not?—I think so.

1112. But it would require very careful management on the part of the chief constable?—Undoubtedly it would; he would be the person who would be best capable of applying the necessary action, having a detective force at his disposal.

1113. You cannot view incendiarism in the same light as many other crimes, such as murder, the detection being far more difficult?—It is so.

1114. It would require very careful management on the part of the police, would it not?—Yes.

1115. With the law of slander hanging over their heads?—Yes; and that is one reason why anything like a judicial investigation by a public officer, such as a coroner, would be undesirable; it would obliterate the traces of the evidence.

1116. Therefore you would wish the first steps to be taken by detectives?—Yes.

1117. So that the chief constable might be quite sure of his ground?—Yes.

1118. Has your attention been called at all to the fire brigades in the country?—No.

1119. You have not thought of the question whether it would be desirable for the country police to have an engine attached to their stations?—It might in some cases be very desirable and useful.

1120. Mr. *Read.*] You say that in your opinion, incendiarism has not been increasing lately?—I have no evidence that it has been increasing.

1121. But I think you have stated that agricultural fires have increased?—They have rather decreased lately, I think.

1122. Have they decreased within the last 10 years?—Every now and then agricultural incendiary fires break out, when there is any agricultural distress; I am not aware that there has been any such increase within the last two or three years, but I cannot speak more distinctly.

1123. You think that lucifer matches are very often the causes of agricultural fires?—I am sure they are.

1124. What is the law of insurance with regard to spontaneous combustion, such as from the over-heating of ricks?—The insurance companies are not responsible for that, they protect themselves by a condition to that effect in the policy; they are not responsible for loss occurring to a rick which takes fire by spontaneous combustion.

1125. Are they responsible suppose it communicates with other property?—They are responsible for the other property.

1126. You have stated that railway engines are frequently the cause of injury to standing crops?—I believe so.

1127. You are aware that in a dry summer they are constantly setting fire to the grass on the banks?—Yes.

1128. Do you think that there is any need of more precaution on the part of railway companies?—No; I think they take as much precaution as they can.

1129. You mean that they take as much precaution as answers their purpose?—As much as the nature of the case will admit of.

1130. Mr. *Beach.*] Do many fires occur in the country which the insurance offices have some doubt about with respect to the cause, and with respect to the desirability of paying the money for which the property is insured?—I should say that cases of that kind are not so numerous in the country as they are in large cities.

1131. Do some cases occur where the insurance offices think it desirable to replace the buildings themselves instead of paying the money?—Occasionally. They always retain to themselves the right of reinstatement.

1132. You are aware that the investigation by the police or by the chief constable is at present of a very cursory nature?—Yes; and I would have it more special.

1133. At present the police would merely pick up any information that they could at the moment?—Yes.

1134. But it must surely always be very difficult to obtain satisfactory evidence, unless there were instituted a more formal investigation?—As at present advised, a more formal investigation before any constituted authority would,

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in my opinion, prevent the detection of evidence.

1135. Would not people be more willing to give evidence if there was a more formal investigation, instead of their merely saying on the spur of the moment what they thought?—I am inclined to think not.

1136. Does not a coroner's inquest, in case of death, bring out satisfactory evidence?—The evidence before coroners' inquests is of the loosest description.

1137. But it assists to show the cause of death, does it not?—It is generally satisfactory to the public, no doubt.

1138. There is a difference between fires, of course, where the cause is involved in mystery, and where there is an actual presumption of arson?—No doubt.

1139. And the chief constable would not be able to know where there was a presumption of arson without a more serious investigation than takes place at present, would he?—The investigation of the causes of all fires appears to me so onerous that it would be practically impossible.

1140. *Chairman.*] Are you aware that the coroner of London for some time investigated into the origin of fires?—Yes.

1141. Do you know what was the result of his investigations?—No instance has ever come before me in which any special advantage has been gained from that; it may have been so, but I am not aware of it.

1142. The coroner has stated in evidence before a Committee of this House, that the number of fires was diminished by 25 per cent. after he commenced his investigations five or six years ago?—I can only say that that is a very important fact, and one which deserves great attention.

1143. Is there any other point which you would wish to bring under the consideration of the Committee?—None that I remember.

Mr. George Pearse Ivey, F.S.S., called in; and Examined.

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1144. *Chairman.*] I believe you have been connected with insurance companies for a considerable number of years?—I have.

1145. For how many years?—About 20 years altogether.

1146. Has that been mainly in this country?—Yes, chiefly in this country.

1147. For how many years have you been connected with insurance offices in this country?—About 16 years.

1148. Were you connected with any insurance company in particular?—I have been connected with several offices; I have been connected with the Scottish Provincial, the Liverpool and London, the Manchester Fire office, and the Briton Life office.

1149. What were your duties in connection with those offices?—I was district manager in South Wales for the latter.

1150. There is a difference between surveyor and district manager, is there not?—Yes; I combined the two offices, but that was my title; my duties were to take proposals, and to send them to the office, and in case of fires to investigate the causes and report upon them.

1151. Were those your duties in all the different offices that you have mentioned?—In each and every one of them.

1152. In your experience in this country in connection with fires, did you find that there was a great increase in the number of fires that took place?—Yes; a considerable increase.

1153. Was it a progressive increase?—It was progressive, because the business was progressive.

1154. Do you think that the number of fires increased in a greater proportion than the business increased?—Yes.

1155. So far as you recollect, you think that the losses from fire increased in a greater proportion than the value of the property insured?—Yes; in most offices I think so; but I may observe here that it is very frequently the case that agents are not sufficiently careful with regard to taking risks; I am now giving you evidence with regard to the general question, and not particularly with regard to my own office.

1156. You said that part of your duty was to submit proposals to the board, and, of course, to examine whether they were proper risks or not?—Yes.

1157. In examining those risks, was there ever anything that came under your notice to excite suspicion of fraud?—Yes. A proposal was brought to me for 400*l.* I surveyed the premises, and looked at the stock, and I found that 40*l.* or 50*l.* would be the extent of what the insurance should be. I knew a particular case in Swansea where I declined even to submit the risk to my board; another office took it, and they had to pay the claim.

1158. That was the case of a shopkeeper, I suppose?—Yes; it was the case of a sailor's wife who kept a greengrocer's store.

1159. Do you find such cases more frequent in the case of shopkeepers, than in the case of householders?—Yes; it is more frequently the case with regard to shopkeepers. Householders, as a rule, are the best insurance business.

1160. In what class of risks do you find that fires most frequently occur, in dwelling-houses or shops, or in shops and dwelling-houses combined?—In shops principally.

1161. Do you think that the fires were generally accidental in such cases?—Some of the cases which came under my personal knowledge were of a most suspicious character. So much so as to induce me to recommend my directors not to pay the claims.

1162. What led you to suspect such cases?—I knew the property was not of the value of the amount stated. But one of the most glaring cases that I know of took place at Cardiff. In that case I recommended my directors not to pay the claim after the fire took place.

1163. What aroused your suspicions?—I first went to the police station, which is also a fire brigade station. I saw the superintendent of police, and asked him if there was a fire in —— place, in Cardiff. He seemed to have forgotten all about it, it was so trifling. I then went to the shop and found all the shutters up. I had a difficulty in finding the man; but I had the place opened, and I found that the fire had taken place

place in patches in the same shop. I found debris composed of little bits of flannel, dry hay, and shavings of paper, and then I put the question to the insurer as to how the fire occurred, and if he had made his claim. He handed me his claim for 136 *l.* and some few shillings. I could see that a fire had taken place, and I suggested to him that he had better alter his claim. He refused to do so, and he talked of the law. I then entered into the items of his claim. There was 40 *l.* put down for sailors' jackets; there was not a jacket on the premises. I asked him what became of the buttons, and he did not know anything about it. There was 20 *l.* put down for hats, and so on, and 40 *l.* for silk handkerchiefs. I could get no satisfactory explanation from him, and I felt it my duty to the directors and shareholders to recommend them not to pay the claim. There are a great many cases of a similar character, and it is notorious that if a claim of that character is paid, you will have plenty of fires of the same kind in the immediate neighbourhood. The man, whom I have alluded to, threatened us with an action. Our solicitor, contrary to my judgment, paid 40 *l.* into court. It was referred to Mr. Prideaux, barrister, at Bristol. We proved that the man's name was false; that he had left the previous town where he lived under suspicion of arson, but it resulted in our having to pay very heavy expenses, and the man got nothing for his pains.

1164. That is one case only?—That is one of many to which companies are liable.

1165. Are there several cases similar to that in your experience in this country?—Yes; but that is the only case in which I recommended the directors not to pay the claim.

1166. But still you have had suspicions in several other cases?—Yes; I have had suspicions in other cases, about which I could not speak so positively.

1167. Though you have paid all the other cases?—Yes; it is our general rule to pay.

1168. When you really suspected that there was not fair play, do you think it was right to advise your constituents to pay the money?—The law is so constituted that we have great difficulty in obtaining a verdict; we are viewed as wealthy companies, the man may not be well off, and the difficulty we have in obtaining justice from juries leads us to do what would appear morally wrong.

1169. Does the competition among companies make the companies too lax, or rather too liberal, in the payment of claims?—I do not know; I can scarcely speak upon that subject, because I have been three or four years out of the country, but I believe that it has considerably increased from what I hear.

1170. But perhaps you would say that insurance companies are somewhat to blame for the increase in the number of fires, in paying claims too liberally without proper investigation?—They have no means of investigation; if you had a law that no company should pay until an investigation had taken place, then the companies would know what to do.

1171. But they have their recourse at law if there is any suspicion, have they not?—But the proof is the difficulty; whereas if you had a coroner's inquest on fires, as we have in Victoria, then you would take the great difficulty out of the way.

1172. The great difficulty at present is the want of a proper tribunal before which such cases can be brought?—Yes.

1173. Are you acquainted with any of the existing Building Acts in this country?—No.

1174. Your duty, as district manager or surveyor, did not lead you to see whether the buildings were properly erected with regard to fire?—I was not professionally a surveyor, though, of course, I invariably surveyed the premises, and acted on my observations of them.

1175. I believe that you have been for some years connected with insurance companies in the Colonies?—Yes; in the Colonies of Victoria, Queensland, New South Wales, Tasmania, and at New Zealand.

1176. What were your duties in connection with insurance companies in those Colonies?—I was resident secretary in Victoria generally, and also throughout the Colonies; I was resident secretary for the Queen Insurance Company, of Liverpool and London, and General Agent for the Colonies.

1177. Can you state what is the law connected with the protection of property and life in Australia?—I can tell you the usage; but I have so recently come back to this country, that I have not looked at any of the statutes. The usage is, that whenever a fire takes place, the coroner holds an inquest. I was not aware of that at first, because I was a comparative stranger in the place; that inquest is held by the same coroner who holds inquests over dead bodies.

1178. Is the office of coroner in the Colonies, the same as in this country with regard to everything but fires?—Yes.

1179. Are the coroners paid by fees or salaries?—By Government salaries.

1180. Who initiates the proceedings before the coroner?—In every case of doubt the insurance company would do so, but the coroner must take the initiative in case we do not report to him. The probability is, that in most cases of doubt the neighbours report to him; but we have a fire brigade, whose duty it is to report to the coroner.

1181. Every fire that takes place is regularly reported to the coroner by the fire brigade?—Yes; by the superintendent.

1182. Every fire, whether suspicious or not?—Every fire, whether suspicious or not.

1183. What does the coroner do when information is brought to him?—He empannels a jury, holds an inquiry and takes evidence. I had a case myself before the coroner.

1184. Is that the case in every fire?—That is the case in every fire that I have known.

1185. Whether suspicious or not?—Decidedly; it is part of the law of the Colony, and part of the duty of the coroner.

1186. Would he go to that expense with an ordinary fire, the cause of which was apparent?—It cannot be known until an inquest is held whether the fire was an accident or not; I may add in passing, that the coroner administered a reprimand to me one day; my directors settled a claim before the inquest; it was a most suspicious case, and they ought never to have paid the money; at the same time there was ignorance of colonial usage on my part, and I did not know the necessity of an inquest. The coroner said, "If you gentlemen come from England with such a lot of money that you do not know what

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to do with it, and pay money in that way, you ought to suffer." We knew nothing of the inquest until my clerk came in and said that the coroner was going to hold an inquest. The man claimed 600 *l.*, but he had not near the value of goods in his place; I do not think that the fire brigade were called in, and I think his neighbours were the first to suspect that there was anything wrong.

1187. Where was this?—This was in Melbourne.

1188. What are the means employed in Melbourne for extinguishing fires?—We have the finest supply of water in the world; we have the Yan Yeau, which is a most extraordinary resorvoir; there is nothing like it in the world; we can extinguish fires 150 feet high without an engine. We have engines, but they are only there for some of the streets, the suburbs; each side of the streets of the city there is a river running all the year round.

1189. Are there fire plugs up and down the town?—Yes; the streets are watered in the same way; we have men on the watch tower (covered with glass in Melbourne) one in each suburb, but the principal one is at the police station, where the fire brigade is.

1190. Is there a person stationed night and day there?—Yes; it is never without an occupant.

1191. When he sees a fire what does he do?—He gives certain signals, whether it is east, west, north, or south; Melbourne is built just in that way.

1192. The streets are all in squares, are they not?—Yes.

1193. To whom does he give the signal?—The signal to the fire brigade is passed down through the tower.

1194. By what means?—They have a wire communication.

1195. Do you mean an electric telegraph?—No; he rings a bell.

1196. The fire brigade are always stationed ready on the premises?—Yes; there is a man in the town, and the fire brigade are on the premises, and on receiving information they proceed at once to the place where the fire is.

1197. Lord *Richard Grosvenor.*] Are there many wooden houses in Melbourne?—Not now; there are in the suburbs, but Melbourne has been pretty well burnt down, and then built up by the insurance companies, like other cities in the Colonies.

1198. Is there a law against building wooden houses?—Yes, the law is very stringent; by the Local Act, you cannot put up wooden buildings in the city.

1199. *Chairman.*] Are fires very disastrous in Melbourne?—Not so much in Melbourne as they are in New South Wales.

1200. Is that from want of water?—Yes; they have not the same supply of water in Sydney as we have in Melbourne.

1201. Have you, in your experience in the Colonies, had many cases of suspicious fires?—Not many; but I have had some; my residence there was short.

1202. What was the nature of those cases?—My suspicions were aroused subsequently to the occurrence of the fires; they were cases very much like what we have in England; a man is in difficulties or he wants to realise his stock, and he gets up a fire.

1203. Do you think that the holding of inquests into the origin of fires by the coroner, has had a good effect in keeping down the number of fires?—There is no mistake about that; where we have now one fire, we should have had ten.

1204. Was that always the law in Melbourne?—I cannot answer that question.

1205. Who supports the fire brigade in Melbourne?—The fire insurance companies.

1206. Entirely?—Yes.

1207. Is there any salvage corps?—Yes; they are supported *pro rata.* We pay according to the rate of business that we do; there is a call once a month, and each office contributes. It is a very small fire brigade; there are only nine men, and we do not require more; there are eight men and a superintendent in Melbourne; all the suburbs have volunteer fire brigades.

1208. Lord *Richard Grosvenor.*] That is after the American system?—Yes; the local towns have each a volunteer fire brigade.

1209. *Chairman.*] Have they fire engines?—Yes; they have fire engines in the suburbs.

1210. I believe that the losses have been very heavy in the Colony from fires?—Yes.

1211. Have they been warehouse losses or dwelling-house losses?—They have been warehouse losses principally.

1212. Has proper attention been paid to the erection of warehouses?—They are very particular about it now; the insurance companies are very particular with regard to the construction of buildings.

1213. Have they issued any particular directions to their agents with regard to examining into the construction of buildings before they take any risk?—We do that as a matter of course.

1214. Have you any fireproof warehouses in Melbourne?—Yes.

1215. Have they proved effectual?—We have never suffered from any of them; the last fire I knew in a case of that kind was Fraser's, of Sydney, where property to the extent of 40,000 *l.* was destroyed; it was a well-built warehouse; there were no suspicious circumstances about that fire, they were highly respectable people; the whole place was burnt down, but the water supply was very bad.

1216. What was the commodity that was burnt?—General drapery; soft goods.

1217. Are there in Australia any particular Acts with regard to the storeage of explosive goods?—We are very particular about kerosine and gunpowder; the quantity of kerosine used in the Colonies is very large.

1218. Do you know any of the provisions of the Act for storing it?—No.

1219. Are you aware of there being any particular mechanical appliances in use in the Colony for the protection of life against fire?—We have the usual ladders for the purpose of rescue.

1220. They belong to the fire brigade, I suppose?—Yes.

1221. You have no sort of association, such as we have in London, for the protection of life and property from fire?—No.

1222. And no fire escapes?—No fire escapes, such as you use in England.

1223. And you have no conveniences whatever

ver in the houses for people escaping?—No, xcept rope ladders, &c.

1224. Is there anything that you could re-ommend in that way?—I am not prepared to ive an opinion on the matter, because I do not hink I am competent.

1225. Lord *Richard Grosvenor.*] The houses re very high in Melbourne, are they not?—Yes; ut in the suburbs we all live in one storey ouses, of course.

1226. Mr. *Agar Ellis.*] What is the pressure of ie water at Melbourne?—I can only tell you bout the extent that the water pressure will roduce; it is about 150 feet.

1227. What is the size of the main?—I do not now; but it is going to be considerably enlarged, r an extra main put on in consequence of the apid extension of the city.

1228. Are there any steam power engines in ie Colonies?—Yes; there is one in Sydney; it as landed when I was there.

1229. Did you see it at work?—No.

1230. Do you know who it was made by?—o; but I know that it came from England.

1231. Mr. *Kinnaird.*] Do you think that their anagement of the putting out of fires is superior Melbourne to what we have here?—We have etter facilities in Melbourne with respect to ater.

1232. But have you any improved principle f action?—No; I think you are in advance of s there, but the Melbourne people are very mart people, no doubt.

1233. Mr. *Lusk.*] You know England pretty ell, I suppose?—Yes; I was 21 years' resident Swansea; I was a member of the town council nd board of guardians, and I have been going all er about the kingdom for many years.

1234. Do you think fires have increased uch in England during the last 20 years?—I think they have increased as the pro-ortionate amount of insurance business has in-eased.

1235. But do you think that they have in-eased out of proportion to the increase in the alue of property?—Yes; I think so.

1236. Do you think that that arises chiefly om carelessness, or from design?—In my own xperience, my impression is, that wilful fires ave increased.

1237. You think, in fact, that there are a good any incendiary fires?—No doubt.

1238. Have you any good reason for saying at?—The word "incendiary" rather applies to ricultural districts.

1239. But intentional fires?—Yes; there is a ry large per-centage of those fires.

1240. Do you know that from any particular perience?—Only from what has come under y own personal observation.

1241. You know that from your own know-dge?—I have suspicions; I can only give my apressions generally.

1242. In your offices, have you prosecuted any erson, or refused to pay any claim?—Only in e case I have mentioned at Cardiff; we de-ined to pay the claim; an action was brought, nd the matter referred to arbitration.

1243. Why did not you take the same course other cases?—In consequence of the difficulty obtaining proof, and the notorious fact that surance companies generally get a verdict given gainst them.

1244. They do not get justice, you think?—I should say not.

1245. How is it that they do not make out a good case?—It is difficult to make out a good case.

1246. Mr. *Lanyon.*] The sympathies of juries are always with the weak side, you think?—Yes.

1247. Mr. *Lusk.*] Have you seen anything new in the Colonies that we could turn to account in this country with regard to fires?—No; and therefore I doubted whether my evidence would be of any use to the Committee, except with regard to the question of the coroner.

1248. What are the premiums in Melbourne?—They vary; we take detached private houses, furniture, and so on, at 3*s.*, and we go up to 5*l.*

1249. That is higher than in this country?—Yes; and there is no duty there; it is 100 per cent. higher than in England.

1250. Are there many insurance companies there?—Yes; there are eight or ten English companies and several local companies.

1251. Is there much competition there?—Yes; they are all looking after business.

1252. You stated that there are a great many losses there from fire?—Yes; very heavy losses.

1253. If the coroner is so very useful, how is it that the premiums are higher and the fires so much heavier?—That is owing to the construction of the buildings in the first place; there are many buildings made of zinc and iron, and of many other materials such as you would not have here where you have a local Board to look after them.

1254. Mr. *Lanyon.*] Is there any Building Act in Melbourne?—There is an Act passed with regard to the erection of wooden buildings in the City.

1255. But there is no Act regulating the construction of buildings?—No.

1256. Mr. *Lusk.*] But there are an immense number of fires in spite of all your precautions?—Yes; there are a good many fires.

1257. *Chairman.*] Do you allude to Melbourne, or to the Colonies generally?—I allude more to the Colonies generally than to Melbourne proper.

1258. Lord *Richard Grosvenor.*] Will you inform the Committee the average number of fires in Melbourne for the last few years?——

1259. Mr. *Lusk.*] Do you think that if people were not insured there would be as many fires as there are?—No; I think that the number of fireswould be considerably less.

1260. Then the insurance offices are the cause of a good many fires?—We have to deal with human nature as it is, of course.

1261. Lord *Richard Grosvenor.*] I understood you to say that in Melbourne after a fire has occurred it is immediately reported to the coroner?—Yes.

1262. There is no limit of time?—No.

1263. It must not be reported within 24 hours, or anything of that kind?—No; sometimes the fire brigade has not known it at all, and the coroner has been informed by other parties; perhaps the insurance company have informed him.

1264. But still he is legally bound to examine every case of fire, is he not?—Yes; every case.

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1265. I presume that no insurance office would pay a risk without the coroner's verdict being previously passed?—We have done so.

1266. And for that you were corrected?—Yes; in a very kind and gentlemanly way; we should not call in the coroner ourselves, unless we were quite sure that it was a case that required investigation.

1267. The coroner cannot do more than bring in a verdict?—That is all.

1268. He leaves it to the office to prosecute?—Yes, the verdict is generally that the cause of the fire is unknown, but sometimes it is a case of accident, of course.

1269. The coroner and his court bringing in a verdict of incendiarism would very much strengthen the offices' hands in going to law, I suppose?—The probability is that the man would withdraw his claim.

1270. You would not take it up in a moral point of view?—No; we did not go out there as a missionary institution.

1271. You say that the water supply is very good in Melbourne; they are bound to supply water for fires gratis, I suppose?—The water runs to waste there; there is no charge whatever for it.

1272. Mr. *Read.*] You have stated that Melbourne was supplied by a reservoir; is it natural or artificial?—Partly both; it comes down between two mountain ranges or hills; at one point they have erected an embankment, and there is a flow of water that will supply the city and suburbs for a year, without a drop of rain; the suburb in which I resided was eight miles from Melborne, and they were about getting it down to there.

1273. You think that in Melbourne there could not be a better supply of water?—It is impossible.

1274. The houses are principally built of stone, are they not?—Yes; the streets are very wide.

1275. But, nevertheless, the lowest premium is 3*s.* per cent.?—Yes.

1276. And here we have 1*s.* 6*d.*?—Yes.

1277. And 1*s.* 6*d.* duty?—Yes; but there is no duty in Melbourne.

1278. Do you think that the duty is rather in favour of insurance?—I think it would be a good thing to the public if you could do away with it altogether.

1279. Do you think it necessary for the coroner in all cases to investigate the causes of fires?—If you do not make it imperative I think the object cannot be attained. My impression is, that a law should be passed that no insurance company should pay claims until after the coroner's inquest had taken place; not to protect the insurance companies, because they can protect themselves, but on the ground that my neighbour has no right to risk my life and property by wilfully setting his place on fire; and when it is known that an inquest must be held it is a great protection to the honest man.

1280. But where there is no doubt whatever, would not the coroner's certificate be just as good as an investigation?—I do not see why there should be any hesitation about investigation in every case.

1281. But it would be expensive, would it not?—I have no idea of the expense.

1282. But in England, in the case of a sudden death, if the coroner is satisfied of the cause of death, there is no necessity for an inquest, is there?—No.

1283. You would not insist on an investigation in every case, would you?—Yes.

1284. You would not be satisfied with a certificate in a case where there was no doubt?—Certainly not; it would be a great advantage, while you are about it, to inquire into all the circumstances.

1285. You think that the number of fires has increased within the last 20 years?—Yes; that is my impression.

1286. Do you suppose that lucifer matches have had anything to do with that increase?—I am perfectly satisfied of that; I have known cases myself where it was one of two things; either lucifer matches or wilful fire-raising; you judge a good deal by the man and his manner, and the circumstances surrounding the case.

1287. Would you think that the imposition of a stamp duty on matches would be beneficial?—It seems a singular thing to put duty on matches, I think; but if you were to insist on safety matches alone being manufactured, it would be a very good thing, only it would be interfering with trade, I suppose.

1288. Mr. *Lanyon.*] Would you impose a duty on all matches except safety matches?—Yes.

1289. Mr. *Beach.*] The Committee may deduce from your evidence, that there is no country with which you are acquainted where the investigation into the cause of fire is so unsatisfactory as in this country?—Decidedly.

1290. You of course consider it a great safeguard against fires to have a proper supply of water?—The best safeguard against fire, I think, is that people who insure should know that there would be a coroner's inquest; after that comes the question of water, which applies to all cases of fire.

1291. Of course that is particularly desirable where houses are of an unsubstantial character?—Decidedly.

1292. Would insurance offices be disposed to co-operate to encourage the supply of water in such cases?—I cannot say.

1293. *Chairman.*] You have stated that the premiums in the Colonies are about double what they are in this country; but are the profits greater to the insurance companies?—I have only given you the quotations on private houses. The circumstances attending a new country are very different to those of an old one. And then again, the population is of a more roving character; people are not so well known; and there are many other reasons for the dearness of the premiums; but I am certain that the profits are not larger; it has been the other way, I think. In Brisbane, insurance companies, have built the whole of Queen-street. Fires have taken place, and we have been let in for a vast amount of money. It is now a splendid street.

1294. You stated, in reply to a previous question, that the losses are very heavy in the Colony, but I think you said you excluded Melbourne?—I must speak of Melbourne as it is at the present time; in the past the losses have been very heavy.

1295. Had they then that supply of water?—Yes; they had that supply of water, but not so efficient a brigade, and the regulations were not of the same character.

1296. Do

1296. Do you think that the heavier losses in the Colony arise from the want of a proper supply of water?—Yes, from that and the construction of the buildings.

1297. And the roving character of the population?—I think that a great deal may be attributed to that.

1298. Lord *Richard Grosvenor.*] Could you give the Committee a rough guess with regard to the number of fires in Melbourne in a year?—I should hesitate in doing that from memory.

1299. Mr. *Lanyon.*] Would it be one a-day?—No, nothing like it.

1300. Mr. *Read.*] What is the population?—One hundred and twenty thousand.

1301. Lord *Richard Grosvenor.*] An average of four fires a-day in London would keep a coroner pretty busy?—Yes; we are suffering more in the local towns than in Melbourne.

1302. Mr. *Beach.*] Is the paid-up capital greater or less in the insurance companies in the Colony than in London?—In Melbourne there is the Victoria, the Australasian, and the Alliance. The two former companies had a capital of 2,000,000 *l.*; the latter office is a comparatively small one. In Tasmania, in Sydney, and in Auckland, they have local offices. The interest of money is so much heavier in the Colonies than in this country, that the insurance companies confined to the Colony make considerably more per-centage than they make in this country.

1303. Mr. *Read.*] Do you insure agricultural produce?—Yes; at from 7 *s.* 6 *d.* up to 25 *s.*

1304. What makes the difference?—The construction of buildings in the neighbourhood, its proximity to any particular cause of fire, or any particular supply of water.

1305. Lord *Richard Grosvenor.*] The agricultural buildings are usually wood, are they not?—They are all wood; we get as high as 5 *l.* per cent. for some of the buildings, but they are exceptional cases that we do not like to take at all, if we can help it.

1306. Mr. *Lanyon.*] I suppose that the increased prices are entirely due to the want of competition, and the small amount of property insured?—No, there is plenty of competition.

1307. Mr. *Lusk.*] The increase of price arises from the largeness of the risk, does it not?—It is a new country; the rates are less in Sydney than in Melbourne, and they are less still in Tasmania.

1308. Mr. *Read.*] Do you make any difference between the rates that you charge in the suburbs of Melbourne and the town proper?—Yes, the range of price for insurance is very extraordinary; there is one district where there are a great number of wooden buildings, and we are very particular about taking them at all; and when we do take them, they vary in price according to the situation.

1309. But take the same kind of building in different suburbs?—That would be governed a great deal by the question of water supply.

1310. *Chairman.*] Is there anything that you wish to add to your evidence?—No, I think not.

Thursday, 2nd May 1867.

MEMBERS PRESENT:

Mr. Agar-Ellis.	Mr. Lusk.
Mr. Beach.	Mr. M'Lagan.
Mr. Gorst.	Mr. Read.
Lord Richard Grosvenor.	Mr. Tite.
Mr. Kinnaird.	Mr. Turner.
Mr. Lanyon.	

PETER M'LAGAN, Esq., in the Chair.

Mr. Sidney James Fletcher, called in; and Examined.

Mr. *S. J. Fletcher.*

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1311. You are Secretary of the Sun Fire Office, are you not?—I am.

1312. That office is one of the oldest, and does a larger business in this country than any other, I believe?—Yes.

1313. When was it established?—In the year 1710.

1314. How many years have you been connected with it?—Nearly 52 years.

1315. Have you had great experience in the settlement of losses by fire?—I have had very great experience indeed, not only in the settlement of losses by fire in our office, but in the settlement of losses by fire in other offices in which we have been jointly interested. I have also on many occasions acted as surveyor to the Sun Fire Office, in the absence of that officer from death, illness, or other causes.

1316. Has your attention been much directed to the causes of fire?—Yes, for many years.

1317. When you receive intelligence of a fire, you endeavour to ascertain its origin, do you not?—We always make considerable efforts to ascertain the origin of a fire; if it occurs in the country, by correspondence with our agents, but if the fire occurs in London by inquiry from firemen and persons who attend the fire; but the result is often extremely unsatisfactory.

1318. Can you supply the Committee with any information with regard to the number of fires which have occurred in property insured by your office within the last few years?—I can state the number of fires that have occurred in 1864 and 1865 in which my office is interested.

1319. How many fires were there in 1864 and 1865 in which your office was interested?—Three thousand eight hundred and fourteen fires occurred in which the Sun Insurance Company was interested, irrespective of fires by which the losses were less than 5 *l.*, which were exceedingly numerous also; that is, for two years, or an average of 1,907 for each year.

1320. Do those figures apply to the United Kingdom?—Yes, to the United Kingdom.

1321. And not to any foreign countries?—No.

1322. What proportion of those fires originated from causes unascertained and unknown?—Our means of obtaining information with regard to the causes of fire are so uncertain, and so unsatisfactory, that we really scarcely keep any record thereof; it is more from impression than any absolute account; we have great difficulty in arriving at the causes of fires; out of those 3,814 fires, 923 are marked "unascertained, with regard to the cause."

1323. That is for the two years?—Yes.

1324. What per-centage is that of the whole number?—That is 24½ per cent. on the whole number of fires in which we were interested.

1325. A number of those fires was attended with suspicious circumstances, I suppose?—A great many of them.

1326. How many of them do you believe were intentionally caused?—If I am allowed to make a statement with regard to my belief, my impression, after giving a great deal of attention to the subject, is, that nearly one-third of the fires which occur are intentional, or the result of culpable carelessness.

1327. One-third of the whole number of fires?—Yes; one-third of the whole number of fires have suspicious circumstances attached to them in some form or other.

1328. Have you any information about the number of fires which have taken place in other offices, in addition to your own?—I have an account of the numbers of fires that have occurred in 17 offices; the result is, that there were 14,458 fires in 1864 and 1865, in which those 17 offices were interested.

1329. Does that include the Sun Fire Office?—The Sun is one of those 17 offices.

1330. Were those offices with head offices in London, or were any Scotch offices included there?—No Scotch office, by name, are included therein; but offices doing business in Scotland are included therein.

1331. Do you know what amount of loss those 14,458 fires occasioned?—Upwards of one million and a quarter of money.

1332. Were the causes of all those fires ascertained?—By no means.

1333. In what number of those were the causes ascertained?—The number of fires in which the cause was not ascertained was 4,623.

1334. Do you keep a classified list of the nature of the risks from which claims arise?—Yes.

1335. How do you do that?—It is a very complicated account; every leading trade is classified under its own particular head; it is a very voluminous statement indeed.

1336. Does

1336. Does your office inquire into the causes of all suspicious fires?—Very minutely; in fact, as minutely as circumstances will allow.

1337. Are those inquiries satisfactory to you in general?—No, they are most unsatisfactory.

1338. How does that arise?—Our means of obtaining information are so very limited; we are forced to make inquiries in a private capacity and in a private form. Parties are unwilling to volunteer to give us evidence, and we have no means of compelling them to do so; the process is a very difficult one.

1339. Sometimes, I presume, you hear suspicions as to the causes of fires after you have paid the claims?—Very frequently; much more frequently we obtain information that would be valuable, after we have paid the losses, than before we have paid the losses.

1340. You do not consider it prudent, I suppose, in such cases to recommence the investigation?—It very rarely happens that we have any such power, the money being paid and the case closed.

1341. If you are suspicious of a fraudulent fire having taken place in any particular house is it not prudent sometimes to resist payment and allow the company to be sued?—We have often done so.

1342. Have you been able to arrive at the causes of fires from taking that course?—Not at the cause of the fire, but resisting the payment of the claim has sometimes led to the claim not being pursued.

1343. The insurance company being relieved of the payment?—The insurance company being relieved of the payment. That is in cases where the causes of the fires were too evident to leave any doubt.

1344. What plan could you suggest to the Committee for rendering the detection of incendiarism comparatively certain?—An immediate public inquiry under authority.

1345. Of course the authority must be quite uninterested?—The greatest evil attending an inquiry emanating from the insurance offices is that they are the party most interested in the result.

1346. Do you think that a judicial inquiry should take place in all cases of fire where the cause is unknown?—Where the cause is unknown I think it would be highly desirable.

1347. And do you think it better to do that without the necessity of putting any particular party on his trial?—In the first instance the inquiry should take place in that way; that may result in some particular person being charged with fire-raising, but not always; that is our great difficulty; we cannot pursue an inquiry without charging some particular person with the offence, which we are not always in a position to do; we think that the inquiry should be initiative.

1348. Who, in your opinion, should initiate that inquiry?—Anybody but the insurance office. A public officer.

1349. It has been suggested to us that the members of the Fire Brigade should make the investigation first?—The members of the Fire Brigade might be able to do it in London, but not in the country.

1350. Another suggestion is that the police officers should do it?—The police officers have on many occasions given us very valuable assistance in tracing the origin of fires.

1351. Can you tell us whether there has been any increase in the number of fires of late?—With regard to that I can only speak as to my own office; the number of fires in which we are interested has increased very considerably, and not only the number of fires, but the amount of loss involved.

1352. Has the loss involved increased in proportion to the value of the property insured?—It has increased out of proportion to the amount of the premiums received.

1353. The profits are much less than they used to be?—The profits are much less than they used to be. That is attributable to the increased number of incendiary fires and fraudulent claims.

1354. There has been a large increase in incendiary fires, has there not?—I am inclined to think that incendiarism in country districts, on farming stock, perhaps, has not increased, but incendiary fires in other property have greatly increased.

1355. Has your office ever prosecuted a man successfully for setting fire to his own house?—Yes, in several cases; we have just prosecuted successfully a party in Kent, for setting fire to the house, and the man and his wife were transported for 10 years.

1356. Could you give us the particulars of that case?—That was the case of parties occupying a small farm and dealing in hops. The man had insured the hops and the household furniture with the Sun Fire Office, and also insured the same property with another company, to the extent of its value. A fire occurred, and the police investigated the case, and communicated with us. They recommended that the woman should be taken into custody; and after a consultation with our solicitor, we determined that not only the woman should be taken into custody, but the man also; and we succeeded in convicting both of them for arson. That is within the last two or three months.

1357. Do you know what aroused the suspicions of the police officers?—I think the first circumstance that aroused the suspicions of the police officers was their finding a quantity of wearing apparel concealed in the fowl house. Then they found that a quantity of property had been removed from the house; and they also learnt that the speculation in hops had turned out a very bad one, and that that particular parcel of hops was insured in two offices for its full value in each.

1358. Did the police officers initiate this investigation without any hint from your office?—It so happened that our agent in that part of the country was a solicitor and clerk to the magistrates, and his means of obtaining information enabled us to take the thing up.

1359. It is probable that it was the solicitor that first suspected the matter was wrong?—He induced the police officers to investigate it more closely than I think they would have done.

1360. Now, in a case of that kind your office prosecuted the man and his wife. But in the event of there being any change in the law, whom would you recommend to be the prosecutor, the coroner or a public prosecutor?—I should imagine that the coroner would be the proper officer, unless an officer similar to that which exists in Scotland was appointed; I mean the Procurator Fiscal.

1361. But you would recommend that the trial should take place before the coroner?—Decidedly before some special authority.

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1362. You are not prepared to say who that should be?—I am inclined to think that the coroner would be, perhaps, the best person, as at present constituted.

1363. But, taking the Coroner of London, for instance, where fires are so numerous, would it not increase his duties very much?—Enormously, if the origin of all fires was inquired into.

1364. But even if suspicious cases only were inquired into, would it not give him too much to do?—There are several coroners in the different districts, but it would be a great addition to their labours, no doubt.

1365. But you think he would be quite able to undertake the investigation in addition to his present labours?—I almost question that.

1366. Then what would you suggest for London?—That a special officer should be appointed for that particular service.

1367. I presume that the fire offices in general are very unwilling to prosecute even in very suspicious cases?—We are very unwilling to prosecute, for several reasons. The difficulty of obtaining evidence is very great; persons are so very unwilling to come forward, and we have no means of compelling them to do so, and the result is very uncertain. There is always a great prejudice existing in the public mind and in the minds of juries, and formerly in the minds of judges, but I think now the judges are quite alive to the necessity for dealing fairly with such cases, which they scarcely did till lately.

1368. The aversion of the fire offices to prosecute has rather tended to increase those suspicious cases?—Yes, no doubt.

1369. Can you state any cases within your experience of suspicious fires having been traced before the payment of the claim?—I have seen several such cases. One case in particular occurs to me; the firemen happened to be returning from a fire which they had been attending, and as they passed the end of the street they saw a fire; they quickly broke open the door and the house was found to be on fire in several different places. The man was a dealer in French goods; the French goods were put in papers in pigeon holes, and in several of the pigeon holes trumpet-shaped pieces of brown paper were put and lighted. I saw this case myself; several of them had burnt out, but one had set fire to a wooden partition. Very trifling damage was done, because the firemen had so immediately entered the premises. In this instance the party was insured with us, and he at once admitted that there was no doubt that the premises had been wilfully set on fire, but he added, "I was absent, therefore, I could not have been the offender. I attribute this act to my apprentice, who is a very bad boy. I make no claim, and I am quite willing to give up my policy."

1370. Was it not the duty of the insurance company to prosecute that apprentice?—We had no means of proving that the apprentice did it.

1371. His master only expressed a suspicion?—Just so. We did not consider it our duty to become public prosecutors; we are merely prosecutors when our interest is concerned.

1372. In a case of that kind you would simply have resisted the claim, and let the man prosecute you?—Exactly, and then the circumstances of the fire would have come out; but we could not take the apprentice into custody and examine him, because we had no means of proving his guilt. I have seen several cases of a similar character in London, where a train has been evidently laid, but the fire has been discovered sufficiently early to prevent much damage.

1373. Do you attribute this aversion of insurance offices to prosecute to the great competition between them for business?—I attribute it to the enormous amount of competition, and the unpopularity which accompanies an unsuccessful attempt.

1374. There are many cases that occur, I suppose, which are most suspicious, but the traces of incendiarism have been lost on account of the destruction of the property?—Precisely. The burning of the property destroys the means of proving the offence.

1375. Are you aware of many fires occurring through culpable carelessness?—A great many.

1376. Will you give the Committee some instances of such culpable carelessness?—A great many instances of culpable carelessness have occurred in the country from farm servants using unprotected lights in stables, and even attaching their candles to the walls of the stable by the grease, and then the falling of the light sets fire to the place. The careless use of lucifer matches is another very prolific source of fires, and reading in bed is another source of fires.

1377. And smoking?—Yes; smoking and carrying lucifer matches loose in the pocket. The careless use of thrashing machines in the country, and hanging clothes before fires without a screen, is a very prolific source of loss to us.

1378. I suppose there are some cases of fire now and then from people throwing away ends of cigars down areas?—A great many such cases have come under my notice especially endangering the valuable property deposited in warehouses at Manchester and other places, and showing evidently a malicious intention.

1379. Are you aware of any cases of fires from sparks from locomotive engines?—Several.

1380. Do you know of any cases of fire from the improper storeage of petroleum and turpentine, or other explosive things?—The want of a proper classification of goods is a very fruitful source of loss to us. Some very enormous fires have occurred in wharves, warehouses, and other places, from the indiscriminate deposit of inflammable articles with valuable goods; from the deposit of fibrous articles mixed with other goods, for instance. The offices have made great efforts to obtain a better classification of goods in the wharves, warehouses, and docks, but they have only been partially successful; and one very enormous fire at a wharf immediately occurs to me; this was occasioned by neglecting this very necessary precaution, and the destruction of property was about 150,000*l.* Many large fires have arisen from sparks falling amongst fibrous articles.

1381. I presume you are of opinion that it would be advisable to have some legal prohibition against storing certain goods together or contiguously?—It would be highly desirable.

1382. Are you aware of any serious fires having occurred from the storing of petroleum in this country?—I do not remember any in this country. The presence of petroleum has aggravated the fire when it has occurred, but Captain Shaw could give you better information on this point than I can.

1383. In your policies do you make it imperative that they shall not have such liquids as petroleum

petroleum or turpentine stored with the firing point under a certain degree?—No; in our policies we put warranties that hazardous goods shall not be introduced at all if the premium paid be not sufficient to cover such a risk; and, in the particular case which I alluded to there was such a clause in the policy covering the building of the wharf, but that of course could not be made to act injuriously towards the owners of the property deposited at the wharf: the merchandise was placed there in all probability without the depositors being made aware of the disregard of the warranties, and therefore they had an equitable claim against the offices.

1384. Now, suppose a fire has taken place, of course you think it necessary we should have a good supply of water available?—It is highly desirable; some of the largest fires have spread owing to a deficient supply of water.

1385. In your experience have you ever heard of such small engines as the "*Extincteur*" or the "Annihilator" being used with any effect at the outbreak of a fire?—Very rarely.

1386. But I presume when a fire breaks out at first a small hand-engine would be a very great benefit?—The hand-pump is found very useful indeed.

1387. In the "Waterworks Clauses Act of 1847," are there not provisions for a proper supply of water being constantly laid on in case of fires?—I believe it is universally required by that Act that the mains shall be charged, in fact it was intended to be one of the conditions on which water companies obtain their powers from Parliament. Water companies, however, generally incorporate in their Bills all the clauses of the general Act which confer powers on them, but omit the clauses which require that the water shall be constantly laid on.

1388. Is there anything in the Act of Parliament compelling a certain amount of pressure of water?—I am not aware that there is any absolute minimum fixed in the Act of 1847, only it is required that the water should be constantly laid on.

1389. But you think that the mains should always be kept charged under such pressure as can be afforded from the source of supply?—Precisely; so as to be available either night or day.

1390. Do you think that a fire brigade should be established in all large towns?—It is highly important.

1391. Are you aware of any large towns in which fire brigades do not exist?—The number of fire brigades established within the last few years is very great indeed. I believe there are very few towns which do not possess some description of fire brigade, but still there are some; the city of Oxford, for instance, I believe to be very ill supplied in that respect.

1392. But in Oxford have they not fire engines at the universities?—I think not; but, if there are, they are very inefficiently worked in case of fire.

1393. How is it in Southampton?—That place is very badly supplied with fire engines; many towns are dependent on the engines kept by the fire offices, a duty which the offices do not recognise. Dublin, until quite lately, was greatly dependent on the fire offices. Chatham and Rochester are very ill supplied with engines, and Leeds is partly dependent on the engines kept by the offices.

1394. Is there not a regular fire brigade at Leeds?—I think there is now, but it is of recent formation; it is so badly supported that one or two of the offices still retain their engines at Leeds.

1395. You have stated you are of opinion that there should be a judicial investigation into the cause of every fire the origin of which was unknown?—I am quite of opinion that there should be a judicial investigation into the cause of every fire the origin of which is unknown.

1396. Will you explain your reasons for thinking it desirable that there should be such a judicial investigation?—Because the steps adopted by the insurance offices are so utterly valueless; the public generally speaking are more interested in keeping information away from the offices than in supplying them with it. It often happens that an intentional fire is brought about by a party wishing to rob his creditors, or to hide the misapplication of his property from his creditors; he converts his goods to his own purposes and then sets fire to the place. The persons to whom we should apply for information would very likely be the creditors, who would be obviously interested in supporting the claim against the office.

1397. Do you think that the present state of the law, and the great competition between the offices, if they do not offer an actual premium for arson, do yet very greatly facilitate the escape of any criminal from detection?—The cases of those who escape as compared with those who are punished must be something enormous.

1398. But you think, in the present state of the law, and the great competition among insurance offices, their aversion to prosecute facilitates the escape of criminals?—Immensely.

1399. The effect has been, owing to the present state of the law, that fire offices have actually refrained from prosecuting in cases where the *primâ facie* evidence was of the strongest character that incendiarism or arson had taken place?—I am quite satisfied that that has operated in a great many cases. We have felt the necessity of making an example of some of these incendiaries so much that we have not hesitated, nor should we hesitate if we could find a clear case to prosecute, but it is very difficult to get up the evidence.

1400. You think that the coroner is the person before whom the investigation into the causes of fire should take place?—Yes.

1401. It has been suggested before this Committee that the Board of Trade might make an investigation into the origin of fires?—I am not very cognisant of the powers of the Board of Trade, but it appears to me that the duties required are more analogous to the duties of coroner than to the investigations which take place under the Board of Trade.

1402. How would you propose to put the investigation through the coroner into motion?—Through the police; at present an investigation takes place before the coroner when death ensues from fire.

1403. I think you stated that you thought it would be desirable to have a public prosecutor in some shape or other?—I quite think so.

1404. Now, suppose a fire were to take place, how would you proceed to find out first whether it was a suspicious case with regard to its origin?—That should be done by the police on the spot; in fact, to a certain extent, when anything

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thing suspicious is pointed out to them, they do so now, but I do not think they consider it their duty to take the initiative unless they are called upon to do so, or the case is a very strong one.

1405. If we must have some party to decide whether a fire is suspicious or not, you think it should be done by the police, and not by the Fire Brigade or the Salvage Corps?—I think the police would be the proper parties.

1406. And if they found out suspicious circumstances, they would then have to report to the coroner that an inquiry should be opened?—Yes.

1407. At present any inquiry made by the police is quite voluntary on their part, is it not?—They are bound, I should conceive, to inquire into every case of crime or violence.

1408. This investigation would be attended with some expense; should it, in your opinion, be the insurance companies who ought to bear the expense?—No, they are not always interested in the cases that arise. In the case of an incendiary fire, it frequently happens that the crime is committed against a party who is not insured.

1409. You think that insurance companies should have nothing to do with paying the expenses of the investigation?—I think that the expense ought to fall on the county.

1410. Would you recommend that the coroner should be paid by salaries or by fees?—By fees.

1411. At present the coroner is paid by salary, is he not?—Yes.

1412. But in the case of fires, you think he should be paid by fees?—I think it would be better to pay him according to the work done.

1413. That would render him more anxious to investigate suspicious cases?—Yes, no doubt.

1414. You have stated that the profits of insurance companies have been very much diminished?—Very much.

1415. Have they increased their rates on that account?—An increase of rates is just at this moment going on, but only partially; it is not an universal increase.

1416. Consequently the public are very much interested in this question in so far as they would have to pay a larger sum for insurance?—It is quite clear that a system of losing money will not be pursued for any length of time.

1417. Seeing that the general public are thus interested, you think it is but natural to expect that the public should pay the expenses of an investigation, the effect of which would be to reduce the number of fires?—Yes, and to reduce crime.

1418. Mr. *Agar-Ellis.*] Would you have an investigation in every case, or merely in case of suspicion?—Merely in every case of suspicion. If you had an investigation in every case, the duties would be so extensive, that it would be difficult to conceive how they could be got through. I should like to have an inquiry, not only in every suspicious case, but in every case where the fire is of doubtful origin.

1419. But then you would have to put the onus of finding out whether it was a doubtful or suspicious case on some one?—Yes.

1420. Who would that be?—The police, I imagine, would be the best parties.

1421. Would not that come to something very like an investigation in every case?—There would be an investigation in every case, but not a legal inquiry in every case. The police ought to attend at every fire, and if they found anything suspicious or doubtful in the origin of a fire, it would be their duty to report to the coroner, who would then decide whether it was necessary to make a further investigation.

1422. But, I suppose, it may be the case that even where there are no visible doubtful circumstances, there still may have been fraud?—Yes; many cases of arson occur without any proof that the fire is wilful; but then comes the question of such an exaggerated claim being made as throws grave suspicion over the origin of the fire.

1423. But would it not be safer to have an investigation in every case?—I believe it would be safer and better; but I am rather looking to the arduous labour which that would involve.

1424. But possibly, however, you would prefer to have an investigation in every case?—Decidedly, an investigation by the police in every case, but before the coroner only in suspicious cases.

1425. Do you ever insure petroleum?—Yes.

1426. Are there any risks that you will not take?—Yes, there are some; for instance, we will not take a gunpowder mill at any premium.

1427. With regard to the supply of water, do you know much of the supply in London?—Not a great deal.

1428. Are you satisfied with the state of the Fire Brigade in London now?—I think that some improvement might be made.

1429. Do you think that it is sufficiently large?—Yes; I think they have great power at their command now, but I am not quite satisfied with the distribution of the stations.

1430. But do you think that they have engines enough and men enough?—They are scarcely enough even now.

1431. Do you think that the Fire Brigade has improved since it has been put under the present management?—It possesses far greater powers, both in men and engines, than it did under the former management.

1432. Do you think that the insurance offices would be prepared to subscribe to the salary of a public prosecutor or investigator?—I think not.

1433. They would not think it worth their while?—They would not think it their duty to do so.

1434. In fact you think, however, that they would not do it?—I think they would not do so, but I am only giving my own opinion; I have not consulted the other offices on the subject.

1435. Lord *Richard Grosvenor.*] With regard to the investigation by the police, you would suggest that the superintendent of the district or the head inspector at the fire should investigate the causes on the spot?—Yes, and that the investigation should be public, and not private; and that the attendance of witnesses should be compulsory, and not voluntary, as is now the case.

1436. All that you would have done on the spot?—All that I would have done on the spot immediately after the fire; it would be of the greatest advantage to have the inquiry before the evidence of guilt is removed.

1437. Take a case of suspected arson, where the first man who gets into the house sees shavings scattered about, and camphine poured on the floor,

floor, would you suggest in that case that he should immediately call in a policeman?—Most decidedly.

1438. But that would take some little time, would it not?—Yes; but, in the meanwhile, it would be the duty of the firemen to leave somebody in charge to see that those evidences of guilt were not removed, or tampered with.

1439. But it would be rather dangerous to leave them there while the fire was going on, would it not?—There has been a question agitated lately whether the offices are justified in leaving a man in possession after the fire is extinguished, though custom justifies them in doing so; I mention this to show that a public inquiry would be extremely desirable in preference to what is now strictly a private inquiry.

1440. You are aware that at a fire there is a great deal of excitement, and people run quickly to conclusions, and sometimes suspect arson?—Precisely; I have met with many such cases; but if the police had the power of investigation they would soon become like myself, so well acquainted with all the circumstances attending an intentional fire that they would have no difficulty in deciding.

1441. If you had an inquiry only into doubtful fires, that would be rather invidious, would it not?—No doubt that would be the difficulty; it would be at once saying, "This is a doubtful fire." That is one of the difficulties under which we now labour; but we labour under the additional difficulty, that the moment we commence an inquiry we are stigmatised as doing it for the purpose of evading the payment of the loss.

1442. But in case of a coroner or public prosecutor investigating only doubtful fires, it would always count against a man to say that man's fire was investigated, whether he was proved innocent or not?—Perhaps it would prevent the next door neighbour having a doubtful fire.

1443. But it would be less invidious to have an inquiry into every fire?—Yes, and more useful; but it would be very onerous.

1444. How are those things managed in Paris?—I believe that the police investigate the cause of every fire. The investigations into the causes of fire abroad are much more stringent than in this country.

1445. Do you know how far a man is held responsible for having a conflagration on his premises in some countries?—In some countries he is held liable for damages occasioned to his neighbour; it is punishable by law.

1446. With regard to the efficiency of the present Fire Brigade, you do not quite approve of the distribution of the stations?—It might be improved, certainly.

1447. You are speaking rather from an insurance-office point of view?—Entirely,

1448. You think the heavier risks require more protection?—Precisely. We should like to have engines nearer the spots where the heaviest properties are insured.

1449. The lighter risks are, perhaps, efficiently protected now?—In some cases; not in all, perhaps.

1450. Mr. *Lusk.*] You have had long experience with regard to fires?—Yes; my experience is, perhaps, the largest of any man in London.

1451. Can you give me any idea of the value of the insurable property in the United Kingdom?—The figures are so large that I can scarcely venture to quote them.

1452. Do you know, in fact, how much of the insurable property in England is insured?—There is a very great difference of opinion on that subject. I imagine that about one-third of the property in England is insured. I mean one-third of the property subject to destruction by fire. In many cases which I have investigated, when large fires have occurred, I have come to that conclusion.

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1453. You think that roughly it is about one-third?—Yes; and two-thirds uninsured; it may be one-half, perhaps.

1454. Could you tell me anything like the amount per cent. of insurable property that is destroyed by fire?—I cannot tell you.

1455. But if you could give me an idea of the amount of property that is destroyed which is insured, and the amount destroyed which is uninsured, we should have a clue to the proportion of fraudulent fires, should we not?—It always turns out when a fire is occasioned by the owner of the property that he is fully insured.

1456. You cannot answer my question?—No, I cannot; but I am satisfied that the number of fires in insured property is far greater than in uninsured property.

1457. You think, speaking roughly, that far more fires happen in insured property than in uninsured property?—I think so, decidedly.

1458. You say that about one-third of the fires that have happened within the last few years are very unsatisfactory with regard to their origin?—I must explain that. When I say that one-third of the fires are of a suspicious character, I mean that they are suspicious in their result, if the origin of the fire was not intentional; yet when it has occurred it is made the means of a fraudulent profit.

1459. One-third of all the fires are unsatisfactory in fact?—Very unsatisfactory.

1460. You think that there should be a public investigation of fires?—Yes.

1461. Do you think that that investigation should take place in reference to each fire?—I have great difficulty in coming to a decision as to how we could define the cases where it was necessary and where it was unnecessary to make an investigation, but if the police were required to investigate into the cause of every fire, it would add to their labours, but it would only be in cases of suspicion that they would be required to report to the coroner or other officer appointed to carry out those investigations.

1462. But, disregarding the question of labour you think that there should be an investigation into all fires?—Yes, I do; if whenever a fire occurred in any person's house an investigation took place immediately, there would be nothing invidious.

1463. Is there any hardship in going to a man's house in a case where you think there is an excessive quantity of gunpowder, for instance?—Decidedly not.

1464. In the same way you think it would be no hardship to investigate any fire whatever?—I cannot see that anybody would object to it unless he was guilty. I might mention here, in proof of the number of doubtful fires or rather intentional fires; that I have now thirteen cases pending, in all of which I feel perfectly satisfied that the fires were occasioned on purpose.

1465. If you were to examine only those that were doubtful, it would be rather awkward, you think?

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think?—Exactly; but you cannot say which are doubtful till some investigation has taken place.

1466. Do you think that having a conflagration in your house ought to be a public offence?—I think it ought.

1467. You think that for having a conflagration in his house a man should be subject to a fine of some sort; in other words, that he should be dealt with by the magistrates?—Not until it is proved that the fire was caused by design or carelessness.

1468. You know the Building Act, I dare say?—I do.

1469. Do you know the clause in that Act which refers to fires in chimneys?—Yes.

1470. Can I have a fire in my chimney without committing an offence?—You are liable to a penalty.

1471. Suppose my cook put the fat in the fire, what then?—The engines would come, and you would have to pay certain penalties.

1472. Should not I be subject to appearing before a magistrate?—Not if you paid the demand, I think.

1473. Perhaps you are not aware that 10 or 20 poor people are often brought before the magistrates, and also that some rich people are brought before the magistrates and fined for having their chimneys on fire?—Yes; but I have always understood that the magistrate will mitigate the penalty to a very small sum if it be proved that it is not the party's fault.

1474. But having a chimney on fire is an offence?—Yes.

1475. In fact you are subject to be brought up before a magistrate?—You are subject to certain penalties.

1476. Perhaps you will take that from me?—Yes.

1477. That being the law, do you think in the case of a large fire a man should be exempt, while in the case of a small fire he is punished?—No; I think that a very searching inquiry should take place into the cause of every large fire.

1478. Do you not think if you charge a poor man 5*s.* or 1*s.* for having his chimney on fire, which was accidental, and you allow the rich man who destroys his own house, and four or five others perhaps, to escape; that is making one law for the rich and another for the poor?—Yes, it looks very much like it.

1479. You think that somebody should be appointed to inquire into the offence or to prosecute?—To inquire into the offence, and prosecute if necessary.

1480. You must prosecute if it is an offence?—In every case of wilfulness or carelessness I would attach a penalty.

1481. When you speak of the coroner do you mean the coroner and a jury?—Before the coroner in the first instance.

1482. By himself?—By himself in the first instance, and then, if it appears a case of sufficient importance, before a jury also.

1483. Do you not think that going before a police magistrate would be a much better process than taking the case before the coroner?—I am not prepared to answer that question, but I wish there were a public and efficient inquiry.

1484. You have already admitted that a fire in the wrong place should be an offence as it used to be at common law?—Yes.

1485. Whenever there is an offence there must be somebody to prosecute and he must prosecute in all cases; now who do you think should be the party to prosecute or to deal out summary justice?—I fancy that the coroner is in more immediate connection with the police for such offences as fire-raising.

1486. It is not an offence at all at present unless wilful; but if a law was passed to make it an offence who is then the best party to make a summary investigation?—If such a law were passed the duties of the coroner would be very much enlarged.

1487. Do you think that he would do the work efficiently?—I think he probably would.

1488. Would he not be a clumsy instrument along with a jury?—The police would make inquiry in the first instance.

1489. Then, who are the proper parties for the police to take the thing before?—In some instances before the coroner.

1490. In what instance?—In case of death.

1491. Who is the proper party for the police to go to generally?—The magistrate. However, so long as there was an efficient inquiry it is not very material to the offices whether it is done by the coroner or by the magistrate.

1492. You think that the police should make the first investigation?—Yes, they should be the prime movers.

1493. For what reason?—Because they are more likely to be at hand.

1494. Do the police, as a rule, know thieves better than any class of men in London?—That is a point I am not sorry to touch upon; I believe there are certain groups of individuals who get their livelihood by incendiarism, and the police would become acquainted with them if the inquiry was public, just as they are acquainted with the thieves of London.

1495. You think that the police know a certain class of men who are guilty of certain depredations, better than any other class know them?—Yes, certainly.

1496. Do you believe that there are certain classes of men who unfortunately happen to have fires in their houses very often?—Continually; first, it is at one of the clique's, and then at another of the clique's, under assumed names.

1497. You think that the police would find them out better?—Yes, they would soon break up the gangs.

1498. Therefore, you think that the police would be the best parties to institute the prosecution?—In the first instance.

1499. Having granted that it should be an offence, you now grant that the police should commence the prosecution?—They are the readiest at hand to do so.

1500. Of course the fire insurance companies, if they chose, could watch the proceedings?—Yes.

1501. And they might take ulterior proceedings if they chose?—If they were interested, and it was a case which should be tried, I do not imagine that the insurance offices (I am sure about one office) would shrink from their duty.

1502. You think that if all cases of fire were brought before a magistrate, and the police gave their evidence, and the magistrate thought it a bad case, and imposed a fine, if the offices heard the evidence given there, it would lead them to take ulterior proceedings?—We have just done

so in a case in Kent; and in some of those cases, the particulars of which I now hold in my hand, we should be rejoiced to find that we have evidence to justify us in prosecuting the parties, for the purpose of stopping this very prevailing crime.

1503. There have been very large losses by fire during the last two or three years, have there not?—Yes.

1504. Both in this country, and in America as well?—Yes.

1505. It is reported that it was to the extent of 25,000,000 *l.* in America last year; is that true, do you think?—That is an exaggeration, I think.

1506. In looking to this question, do you think it is a serious loss to the nation that so much property is destroyed by fire?—Very considerable loss is incurred to the nation by intentional fires. In other similar cases an inquiry takes place, in cases of accident by railway or to shipping; but it is curious that there is no inquiry on the part of the public by any public machinery with regard to the question of fires, by which so large an amount of property is annually destroyed.

1507. You mean, supposing 100,000 quarters of wheat were destroyed by fire it would be a great loss to the nation?—Certainly.

1508. Raising the price of every man's loaf of bread?—Yes.

1509. Have you ever noticed any distinction in the number of fires when trade is good and when trade is bad?—That occurs continually. When there is a depression in any particular trade, then the fires in that particular trade commence; that is one of the points which satisfies me that very many fires are intentional; if the cotton trade is depressed, mills and cotton warehouses are burnt down, and so with the hat trade or shoe trade, if there is depression, fires immediately follow.

1510. That is a sort of fire barometer?—Decidedly; it is a well-known fact.

1511. Mr. *Read.*] Does that extend to farm produce?—I think it does; very many fires which are attributed to incendiarism in the country, I am satisfied are occasioned by the farmers themselves.

1512. Mr. *Agar-Ellis.*] The working of the law in question is peculiarly noticeable in Liverpool, is it not?—In Liverpool, Manchester, and every other place, and it is convincing to me that a much greater number of fires than we are apt to think are the result of intention.

1513. Mr. *Lush.*] That is your inference from this barometer?—Certainly.

1514. Are the offices, as a rule, paying just now?—Very badly indeed, I think, as compared with the capital involved.

1515. The premiums are too low, you think?—Far too low.

1516. And the fires are too many?—The fires being too many makes the premiums too low, the losses being too heavy.

1517. That is the fault of the offices, not of the people insuring; if you make your premiums too low, and a certain number of accidents must happen, the loss is your own fault?—Yes; but the premiums which were found adequate some time back are not found adequate now.

1518. Have you investigated whether that is the case with regard to any classes of goods insured now?—I think we are more careful with regard to the selection of our risks than ever we were.

1519. Are farm risks any more dangerous than they were?—Far more dangerous, and the premium is higher.

1520. Are common dwelling-houses more dangerous than they were?—Private dwelling-houses are nearly on a par with what they used to be; large mansions have been ascertained to be very bad risks.

1521. Are commercial risks worse than they used to be?—Decidedly.

1522. You referred to candles, pipes, tobacco, and lucifer matches; you know that in these days there are a great many more matches, and dangerous things, but perhaps you do not charge corresponding premiums?—I consider that lucifer matches cost the Sun Fire Office 10,000 *l.* a year in losses; I do not mean as regards intentional fires, but the careless use of lucifer matches.

1523. With regard to country risks, is there anything that you could suggest?—The improvement of buildings would be a very desirable thing of course; in some parts of the country where thatch prevails extensively we have been forced to give up insuring altogether. In Devonshire the thatched villages have been found such bad risks that we have been obliged to give up insuring them, and in Dorsetshire also.

1524. You think that the Building Act should apply to the country as well as to London?—Decidedly.

1525. And you think that country towns should be compelled to keep fire brigades and fire engines?—Yes, decidedly; it should be compulsory.

1526. The insurance offices have a great many agents throughout the country, have they not?—A great many.

1527. Are the offices very particular about the agents whom they appoint?—Immensely particular.

1528. All of them?—I can only speak for my own office; I do not think that all of them are equally particular; I have visited our agents for more than 40 years, and I believe there are few offices who are better represented, or by more respectable persons than the Sun Fire Office.

1529. But you think that some of the offices are not so particular as they ought to be?—I do.

1530. Are many of the agents of some standing in the neighbourhood where they are?—A great many of our agents are the most respectable men in the place.

1531. But taking the other offices?—I think they have been selected very indiscriminately.

1532. Some of them are very needy men?—Yes.

1533. They are not very scrupulous about the risks they take, or from whom they take them?—Just so.

1534. Consequently, a good many of the fires are caused by the carelessness of the companies themselves?—I believe that it encourages incendiarism.

1535. Mr. *Gorst.*] Would you ever prosecute a man who did not press his claim against the company, even supposing there were grounds for suspicion?—Not if we had no evidence of his guilt.

1536. A good many of your country agents are solicitors, are they not?—A great many.

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1537. Is it not a very common practice with these fraudulent insurers to insure their property very much beyond its value?—That, no doubt, is their object.

1538. Are any steps taken by the insurance offices to prevent that?—Most decidedly; but the steps which are taken are utterly ineffectual.

1539. What do you do to prevent it?—When we have any doubt we frequently send down a surveyor to inspect the premises, and to cast his eye over the goods; but of course it is quite impossible to have any inquisitorial investigation; we cannot go and open drawers, or look into cases, or anything of that kind.

1540. In fact you have, to a considerable extent, to take the insurer's word for the value of the property which he insures?—Yes.

1541. Supposing that I chose to insure my furniture for a good deal more than it was worth, you could not practically prevent my doing it unless I did anything very extravagant?—If you did anything very extravagant we should decline to accept the insurance. If our surveyor, after having been many years accustomed to that sort of work, considered the sum exorbitant, we should say, "We decline accepting your insurance."

1542. Do you think that all the insurance offices take the same pains to prevent insurance beyond value?—I think they do in London now; I do not think that they did formerly.

1543. Do you think that the competition amongst insurance offices produces a carelessness, at all events among inferior offices?—The power of deceiving insurance offices is very great. I will mention, for the purpose of elucidating my argument, a circumstance which occurred a few years ago, where a party proposed an insurance in the Sun Fire Office; our surveyor was sent to inspect the premises, and he was shown over the goods, and they were represented to be the property of a certain party. In the meanwhile a similar proposition was made to another insurance office, and the same goods were then shown to the representative of the other insurance office as being the property of another party. It was impossible for us to detect this intentional deception; a fire occurred accompanied by loss of life; a coroner's inquest sat upon the question for several days; and one of the parties afterwards made a claim upon the other insurance office, not the Sun Fire Office; the party insured in the Sun Fire Office never made any claim. The parties were acquitted at the coroner's inquest of setting fire to the premises, but there is no doubt in my mind but that they did so. I mention this anecdote in order to show that it is impossible for the offices so thoroughly to investigate the question of property, as to prevent fraud. Supposing they go to inspect premises with a view to insurance, the goods may be removed the next day, and then the premises set on fire, so that there is very little security arising from the circumstance of sending their surveyors to inspect the premises, so far as the value of the property is concerned.

1544. Mr. *Lanyon.*] You stated just now that you thought that the insurance companies would object to pay anything towards the expenses of any inquiry which might be instituted of a public nature; do you not think that the number of fires would be very materially diminished by the institution of a public prosecutor?—I have no doubt that the number of fires would be materially diminished, but then the question would arise whether we should not be compelled to reduce our premiums in accordance with this result.

1545. At all events the insurance companies would have a very material interest in the reduction of the number of fires?—Precisely; but I believe that in no other branch of trade are the parties connected with that trade called upon to contribute towards inquiries of this sort; for instance, a loss occurs on a marine risk, a ship is lost, and an inquiry takes place, I believe, by the Board of Trade, but the merchants connected with that ship are not put to any expense upon the subject; they are not called upon to carry out the law in a criminal case.

1546. At all events the insurance companies would have an interest in the appointment of a public prosecutor, from the circumstance that the number of fires would be diminished?—The number would be considerably reduced, I have no doubt.

1547. And therefore they would materially benefit as well as the public by the diminution of the number of fires?—The offices would not derive any permanent benefit from it, because, to be consistent, they would evidently be compelled to reduce their premiums.

1548. Are you not aware that the bankers have a fund out of which they prosecute all forgers?—I am quite aware of that.

1549. Would not that be a somewhat analogous case to the case of the insurance offices?—They combine together to prosecute, I believe, on account of the odium of a prosecution; and the personal feelings which would arise to prevent prosecution are obviated by this association.

1550. Have you any objection whatever to the appointment of a public prosecutor, which appears to me to be a very desirable appointment?—On the contrary, I should think that it would be very desirable.

1551. In the main the impression is that it would be desirable, but I wish to know whether you have any objection whatever to the appointment?—I cannot foresee any possible objection to the appointment; I believe that it operates extremely well in towns in Scotland, where it has been in existence for years.

1552. You have stated that about one-third of property is insured?—It is a very rough guess; that is merely my personal opinion; there is a great difference of opinion upon the subject.

1553. May not a great deal of the property which is uninsured be less subject to risk by fire than that property which is insured?—I think it extremely likely that a person who has a property not very subject to loss by fire will try to save the expense of insuring it.

1554. You have mentioned that you think that about 10,000*l.* per annum was lost to your office by the introduction of lucifer matches. We have it in evidence, from a gentleman I think in a similar position to yourself, in one of the insurance offices, that it would be a very good thing to put a duty upon all matches, except those which would only strike fire on their own box, safety matches?—Exactly so.

1555. Do you think that that would be a desirable thing, so as to avoid the use of that description of matches which people carry in their pockets and throw about on the floors, and which are trod upon, and which ignite; do you think that

that if there was a duty put upon that description of matches, it would be likely to result in the use of safety matches only?—I think that is very doubtful.

1556. The suggestion appeared to me to be a good one; would you agree with that suggestion?—I think that if lucifer matches were made more expensive in any way, either by a duty, or in any other manner, there would not be that dreadful carelessness and dreadful waste which there is with them, and to my mind this is the cause of a great many fires. The reckless use of lucifer matches is something extraordinary.

1557. Your evidence concurs with that which has been given to us by other gentlemen, that incendiary fires are very much on the increase?—I think that they are.

1558. Is that an opinion which is given upon a general impression only, or have you endeavoured in any way to make out statistics so as to show that increase?—I have endeavoured to get some further statistics together, and I have done everything which I possibly could do to refresh my memory, and the conclusion at which I have arrived is, that the number of fires which are now actually pending, the origins of which I am perfectly satisfied were intentional, is far greater than ever occurred before in my experience. I cannot recollect any period of my long experience in which we have had so many intentional fires under investigation as there are at the present moment; in fact, that subject now occupies a very large portion of my time; and the onerous character of these inquiries is a sad drawback to the performance of my other duties.

1559. Have you any facts to give us resulting from a comparison of the number of fires in the present year with, say, the number of fires 20 years ago, and taking into consideration the relative value of property, and the increase of population, and so forth, within that time?—We have very few statistics as to the origin of fires. As to the number of fires, they have increased very considerably.

1560. Have they relatively increased?—I am not prepared with statistics on that point.

1561. You cannot give the numbers relatively to the amount insured?—No.

1562. You have spoken of the improper classification of goods as being a great cause of fire; has the desirability or otherwise of constructing the warehouses connected with large establishments in a mode which should be suitable to the classification of particular descriptions of goods ever occurred to you?—We have been making very great efforts for several years with the view of obtaining a better classification of goods, and a better construction of warehouses, and of limiting the sizes of warehouses, and especially of persuading the public to assist us in this respect. Unfortunately there is no legislative enactment as to the classification of goods; but the attention of the offices has been very much directed towards that point, and they have made great efforts with the view of carrying out improvements in this respect.

1563. And as to having communication by external galleries instead of internal communications?—Yes; reducing the number of internal communications, and reducing the size of the warehouses, and classifying the goods, putting the hazardous goods in one warehouse and the non-hazardous in another. The only means which the offices have of controlling that is by regulating the premiums according to the circumstances and supposed practice.

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1564. Mr. *Read.*] Do you say that agricultural fires have increased recently?—I think not; there are heavy periods of agricultural fires, and there are light periods of agricultural fires; sometimes the crime is on the increase, and sometimes it drops off again. I do not think that the last two or three years have been unusually heavy as regards agricultural fires. Sometime back the fires in agricultural property were extremely heavy. I do not think that during the last year or two they have been so heavy as they were in some previous years.

1565. You mean, I presume, cases of arson?—I mean cases either of incendiarism or of arson, whatever we may term it; incendiarism perhaps. I think that it would save trouble if we considered arson to be where a person sets fire to his own property, and incendiarism to be where another person sets it on fire. I do not think that the cases of incendiarism have increased lately in the country.

1566. Is not incendiarism in agricultural fires much more common than arson as you have described them?—Incendiarism is much more common than arson in the country; but arson, taking it as I have described it, is not infrequent.

1567. You have said that agricultural engines are a great cause of fire?—Very much so; large fires have been occasioned by the careless use of steam threshing machines.

1568. Do you consider that to have arisen from badly constructed engines, or from their being improperly placed or badly used?—From their being improperly placed too near the stacks, and without regard to the state of the wind at the time.

1569. If a man insured, say, 200 *l.* worth of hats in your office, and they became depreciated in value 50 *l.* per cent., and the property was burnt, would you pay him 200 *l.*?—Not if we could help it; but he would exaggerate the claim in some way or other so as to cover the loss; it would be impossible to ascertain exactly how many hats there were upon the premises at the time of the fire.

1570. If there were originally 200 *l.* worth of hats and they were destroyed, would you pay him the whole 200 *l.* if the value was depreciated?—No; the principle upon which we settle a loss is the market value of the goods at the time of the fire.

1571. Do you do the same with agricultural produce?—Yes, and it is the case with everything.

1572. Where a man insures in two offices, how do you deal with that case?—We insert a clause in the policy that the office shall pay the loss *pro ratâ* according to the sum for which he is insured in each office.

1573. But supposing him to be insured to the full extent in both offices?—They would each pay half the loss.

1574. You are aware that as respects the coroner, if he is certain of the cause of death, although the coroner has been called in, he need not hold an inquest, but can give a certificate to that effect?—I believe that that is the case; I am not quite certain upon the subject.

1575. If the coroner had to inquire into the origin of a fire, you would not think it necessary for him to hold what you might term a fire in-

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quest in any case where he was satisfied of the origin of the fire?—If the coroner was satisfied, and had no reason to suspect arson or incendiarism, I think that it would be a waste of time to investigate the subject any further.

1576. And a waste of money too?—Yes.

1577. I think you have stated that there is a large proportion of property in the country uninsured; of course the owner of a large estate frequently insures himself?—He is frequently his own insurer.

1578. Because by so doing, in all probability he saves the duty?—Yes; and people in the country especially, do not always insure their property to its full value, they only partially insure it.

1579. Mr. *Beach.*] Perhaps you are aware that there has been produced some impression in the country that insurance offices, so far from being averse to fires, do not at all object to a certain amount of fires?—If such an opinion as that is prevailing, it is entirely in contradiction to the convictions of my office; they are making every effort which can be made to prevent the increase of fires.

1580. Do not they fancy that a certain number of fires, if not attended with too great a loss of property, rather give a spur to fresh policies?—It is a most mistaken notion.

1581. I believe that some dissatisfaction has taken place with regard to the co-operation on the part of the insurance offices as to a proper supply of water being given?—The insurance offices generally hold that it is the duty of the inhabitants of a place to see to the supply of water, and that this is not the duty of the insurance offices; that argument applies both to the supply of water and to the supply of engines; we consider that it is the duty of the inhabitants to attend to these matters themselves.

1582. With respect to firing ricks, is it not extremely difficult to find out who has committed incendiarism or arson?—An insurance office stands in a peculiarly unfortunate position with reference to agricultural property; it is property which is very much exposed, and if the magistrates or the police in the neighbourhood will not investigate the case, the insurance offices have extremely little power of doing so. It is impossible for the insurance offices or their agents to be acquainted with the characters of the people living in the neighbourhood; it is impossible for them to know whether any ill-feeling exists on the part of the labourers towards their master.

1583. Within the last few days a rick was set on fire, and no one knew who had done it; but persons had seen two suspicious characters going along the road, and on suspicion these men were arrested before they had proceeded more than about half a mile from the spot. One of them when he was arrested, said that he had given two or three lucifer matches to his companion, who had asked him for them, and who had set the rick on fire merely through spite, because the person who he suspected was the owner of it had refused to give him any relief?—I have met with several instances of that sort, in the case of trampers, and not only have they set fire to a rick from such a trifling cause as that, but ricks and other exposed property have been fired solely for the purpose of obtaining the trifling reward paid for working the engines.

1584. Had it not been for the mere trifling circumstances which brought that case to light, suspicion might have attached to some one else of setting fire to that rick?—Certainly.

1585. Mr. *Read.*] Have you known any cases where ricks have been set fire to simply out of mischief?—I have known several such cases.

1586. Mr. *Kinnaird.*] You have been asking whether there is not a bankers' fund for conducting prosecutions?—Yes.

1587. That is scarcely analogous to the case of insurance offices?—In the case of a banker, whenever a prosecution takes place, it is perfectly certain that an offence has been committed, that a forgery or something of the kind has been done, and the question then is, who has done it? But we have to inquire first whether the origin of the fire has been intentional or not, and then there is the question, who is the guilty party? In the case of a banker the crime is evident; somebody has committed a crime, and I believe that the reason of the combined action, as I have endeavoured to explain before, is that private feelings may not prevent prosecution. It, perhaps, unhappily occurs that a clerk to whom a banking firm are somewhat attached may have committed a crime, and their feelings towards him would prevent them prosecuting him; they place it beyond their own discretion. We have to ascertain first whether a crime has been committed, and then who is the guilty party.

1588. Then you think that that case is not in the least a precedent for insurance offices?—Not in the slightest degree; I think that the cases are entirely different.

1589. *Chairman.*] Is it consistent with your knowledge that frequently in the case of fires there is found to be a deficiency of water?—Frequently.

1590. Not only in the metropolis but in the provinces?—Yes.

1591. And in such a case you would say that the interests of the water company and of the public are antagonistic; it is not the interest of the water company to give a very large supply of water?—Precisely so.

1592. Do you think that some public body ought to have a *locus standi* in opposition to all Water Bills which provide that a constant supply need not be afforded?—I think that that would be highly desirable, in order that the intention of the Legislature in passing the General Water Works Clauses Act of 1847, should be carried out, which requires that all water companies should keep up a constant supply of water; but it frequently happens that when those companies apply for their Acts they avail themselves of such clauses of the General Act as will be beneficial to their interests, and omit the clauses which will operate to their prejudice.

1593. Supposing that a water company applies for an Act, do you not think that it would be advisable that there should be some public body to watch over the interests of the public and to have clauses inserted providing for a sufficient supply of water in cases of fire?—We, the fire offices, think it so important that we have stepped in in some cases.

1594. Do you think that the fire offices should have a *locus standi* in opposing Water Bills which provide that a constant supply of water should not be afforded?—I do not think that the fire offices are the proper bodies to step in, but as there

there is no public body to do so for the benefit of the public, the fire offices have done it for the protection of their own interests; I cannot conceive that it forms any part of their duty either to watch those water questions or to inquire into all cases of fires; in some fires they may be interested, and in others not; but still I think the fire offices should have a right to be heard, should they desire it.

1595. The public ought to have some representative in cases of that sort; do you think that it would fall within the duty of the fire brigade in a town to watch over the interests of the town in that respect, and to have clauses inserted for the proper supply of the town with water?—I think that it does not frequently happen that the municipal authorities take the question in hand.

1596. Although the fire offices now oppose such Bills, have they a *locus standi*?—I think not; at all events, they have none in the House of Commons. It was refused by the referees last year.

1597. But you think that they ought to have one?—I do.

1598. And in such a case they would represent the public?—I think that they would be disposed to do so.

1599. Is it not a fact that at present the directors of these water companies are very often the magistrates of the boroughs?—Frequently.

1600. And it is their interest not to have too much water?—It is their interest as shareholders in such water companies not to afford a larger supply of water than is absolutely required by their Acts.

1601. Is there any particular period of the year when fires occur more frequently than at other times?—I think that they are more frequent in the winter months, although some of the heaviest fires have occurred in the height of summer; I attribute that to the circumstance of everything being more dry; fires are more frequent in the winter.

1602. At what period are your premiums generally paid?—At the several quarters, Lady-day, Midsummer, Michaelmas, and Christmas; they generally fall due at one of those four quarters.

1603. In your long experience have you observed whether there is any connection between the occurrence of fires, and the payment of premiums?—One of the most striking features is the fact of fires occurring so soon after the insurance is made; in the case of some of these intentional fires, the parties will not allow sufficient time to transpire to get their policy made out before the place is burnt down. In very many instances the fire has occurred in a week, or in a fortnight after the insurance has been effected.

Mr. *S. J. Fletcher.*

2 May 1867.

1604. Do you find that the fires take place immediately before the premium becomes due?—Such parties very rarely stop to pay a second premium.

1605. Mr. *Lanyon.*] Do you know of many cases outside of London where there are private companies for the supply of water?—No, I am scarcely aware of any private company; do you mean private individuals?

1606. No, I mean companies; I have long had the impression that all supplies of water should be connected with the Town Council, or Town Commissioners of every town, and that there should not be private companies?—Of private companies so described, I think that there are many; I think that the exception is, their being connected with the corporation, or with the municipal authorities.

1607. Do you not think it very desirable that those who have charge of the fire brigade should have the charge also of the water?—I think that that is quite a new idea; I think that it is becoming more usual, but it certainly was not the case some years ago; for instance, the town in which I reside, the water supply is now under the municipal authorities; but it was not so formerly.

1608. In my own town, namely, Belfast, the water is supplied by the Commissioners, but they are separate Commissioners from the Town Council, and consequently one body has the control of the fire brigade, and another body has the control of the water, and they are constantly disputing? — That is the natural effect.

1609. Do you think it a desirable arrangement that the water and the fire brigade should always be put under the control of the Town Council?—I think that that would be better.

1610. *Chairman.*] Have you any further information to give to the Committee?—I am not aware of anything which I have to add to what I have stated; I shall be very happy to answer any further questions which the Committee may wish to put to me.

Mr. David Smith, called in; and Examined.

1611. *Chairman.*] You are Manager of the North British and Mercantile Insurance Company?—I am the General Manager.

1612. The head office of the company is Edinburgh?—Yes.

1613. But your business extends over the whole country also?—Yes.

1614. Can you favour the Committee with any details of fires in any particular years?—I have memoranda of fires which have occurred in 1864, 1865, and 1866, in connection with our office. In 1864 the number of fires connected with our office, taking London and Edinburgh, together was 547, and the sum lost was 98,000 *l.* Those are the losses over the whole country, England, Scotland, and Ireland. In 1865 the number of fires was 619, and the losses were 141,561 *l.* In 1866 the total number of fires was 583, and the losses were 147,920 *l.* I may mention that until 1866 we did not keep a memorandum showing the causes of fires which had occurred, but at the end of the year 1865, seeing a variety of cases occurring which certainly startled us in reference to the number of fires and the causes of them, we kept a book in Scotland, so as to define the cause of the fire in every particular case. Therefore, so far as our Scotch experience is concerned for 1866, I can state the cause of the fires with reference to each particular case, although I cannot do so with reference to the causes of the fires in England. It was for our own consideration that the book was kept, and I did not at that time

Mr. *D. Smith.*

Mr. *D. Smith.*

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time anticipate that there would be a judicial inquiry into the matter.

1615. In 1864 it seems that there were 547 fires, with a loss of 98,000 *l.*; and that in 1865 there were 619 fires, with a loss of 141,561 *l.* I presume that there was considerable increase of business?—Yes.

1616. Do you think that there was a proportional increase of fires?—Yes; there was a greater increase of fires than an increase of business. I judge of it in this way: taking our experience since the North British Company commenced in 1809, before it was joined with the "Mercantile," I think that the proportion of loss to premium is about from 50 to 55 per cent. We generally consider that the losses ought not to exceed between 50 and 55 per cent. with the view of making anything like profit. But in the last three years particularly we find that the losses have been between 60 and 70 per cent., and even in one year as far as 80 per cent.

1617. Mr. *Lanyon.*] A question has arisen with regard to the increase in the number of incendiary fires, taking into account the increase of population, the increase of property insured, and the increase of the value of property, and I think that it could be arrived at by statistics of some kind?—We are endeavouring to get some statistics to show what is the value of property, taking the number of fires in 1851, and the number in 1861. I think that we shall be able to submit that information to the Committee by another witness. I am sorry to say that we have not got it so particularly now as we ought to have it.

1618. *Chairman.*] It is evident from the figures which you have given us, that in 1866 the property which has been destroyed has been far more valuable than in any of the previous years?—Yes.

1619. In your experience do you find that you suffer most from few large fires or from many small fires?—From large fires, and we find that the great losses are from causes which we have not been able to trace. I find that in 1866 with reference to Scotland alone, we had 378 fires. Of those we ascertained the cause in 226 cases; we could not ascertain the cause of 152 fires; we put them down as being from a cause utterly unknown; some of them of course we put down as suspicious; a good many happen perhaps from incendiarism, but what we call unknown are fires where we are unable, after every inquiry, to ascertain the actual cause of the fire. About 40 per cent. of the whole number were unknown. The losses in the cases where the cause was known amounted only to 9,500 *l.*, and the losses where we have been utterly unable to ascertain the cause amounted to 37,860 *l.*, so that, while on the one hand, the fires unknown as against those known, are only 40 per cent., the amount of loss in those unknown is equal to about 80 per cent.; and I am satisfied, from my inquiries in previous years, that the result in those years would be the same. Therefore, the great amount of loss is in cases where we have been utterly unable to ascertain the cause. The average loss sustained in known fires is much less than the average loss in unknown fires. The heavy loss is in few fires; in the great number of cases the losses are small.

1620. Can you tell us, from your experience, in what particular class of risks the unknown fires occur?—There is a very great variety of them. For instance, I will take bakehouses; we had 10 losses in bakehouses in the Edinburgh office in the year 1866; of those in eight cases the cause could not be discovered, and in only two cases could we discover the cause; they were from overheated ovens. I may say the same of various other works; there are bleach works and cotton mills, which is generally a very serious item in the experience of insurance offices.

1621. And also cotton warehouses?—Yes. In about three or four of these fires the cause was unknown, and the loss was heavy. Of course we cannot get a great many of those instances, because our company is not interested in many of them. I find that in the case of farm buildings, and the offices connected with farm buildings, out of 20 instances of fires in Scotland during the last year, in 12 of them we could not find out the cause; there was one which we had every reason to believe arose from incendiarism, though we could not prove it. A great many of those cases are attributable to what one witness has already alluded to, namely, the setting fire by matches, especially by tramps; and there have been several other cases in which farm servants have been careless, both with reference to matches and to smoking; we have had one or two put down to that cause, but in a great many instances we could not discover it. With regard to farming stock, there were 28 cases, in 12 of which we could not find out the cause of the fire; in three cases there was no doubt in our own minds that there was incendiarism; one of the 28 cases arose from a spark from a locomotive; one from children and servants playing with lighted matches, and we had 11 losses from lightning; we had several very severe storms last year.

1622. Mr. *Kinnaird.*] That was in live stock?—Yes, farm stock.

1623. *Chairman.*] As regards farm stock, has there not been a great increase in fires in Scotland in the last year?—There has been a material increase in Scotland, and we have had some heavy losses in farm stock in the neighbourhood of Northumberland, during the last two years. I have only been about 10 years in the management, but so far as my experience goes, I have observed that when one fire takes place in a farmyard in any particular district, others are sure to follow; not that I wish to draw any inference from that. I merely draw the inference that it would be very desirable if we had a thorough investigation into the causes of fires.

1624. By the term "farm stock," you mean not only live stock, but the grain?—Yes.

1625. And implements?—The implements come more immediately under what we should call losses connected with farm buildings and farm offices. We call farm stock the crop within the farmyard, as well as the live stock.

1626. In the cases of lightning which you have mentioned, were the live stock killed by it?—Yes, some of them were killed by it; and there were also one or two fires. With reference to flax mills we had three fires, of one of which we discovered the cause, and in two cases we could not find out the cause. In flax warehouses we had three cases; one was set fire to in consequence of an adjoining work; one was from incendiarism, and there was a trial in connection with it; and of one we could not discover the cause. In the case of foundries we had nine losses,

sses, of which we could not discover the cause n six instances.

1627. What is the proportion of private dwelng-houses in which you have had fires?—It is ery moderate in comparison with the number nsured, they are the best risks which we have. Ve had 175 cases of fires in dwelling-houses and rniture last year; of those we had 36 from ervants carrying live coals about and setting re to carpets, &c.; we had 39 from defective nd foul vents; we had 33 from gas and candle ccidents, from servants flaring up the gas; we ad four from accidents to ladies' dresses, putting hem too near the fire; we had three arising from ucifer matches; we had four from children playng with lights, which is the same thing; we had even from lightning; we had three from clothesscreens falling into the fire; and 36 cases out of he 175 were unknown.

1628. That is a very small proportion compared with the others?—Yes; comparatively with the number of cases insured, it is nothing at all.

1629. Lord *Richard Grosvenor.*] Those cases are of dwelling-houses without shops?—These are cases of dwelling-houses and furniture. A good many of what I have read are from furniture without the houses; but a good many of the 36 unknown cases are of the houses themselves.

1630. *Chairman.*] Have you any statistics to give the Committee regarding the number of fires where the houses are combined with shops; that is to say, where there are shops and houses above?—We have drapers' shops; and you are aware that a number of drapers' shops have houses above, particularly in Scotland, where they are all in flats. Of these there were 12 instances last year, and we could ascertain the cause of 10 of them.

[*The Witness delivered in the following Document:*—]

CLASSIFIED LIST of FIRES intimated during the Year 1866. Edinburgh Office.

Nature of Risk.	Number of Fires.	Cause of Fire.	Number ascertained.	Number unknown.
akehouses - -	10	Oven - - -	2	–
		Unknown - - -	–	8
asketmaker's shop -	1	Spark from fire - -	1	–
leach work - -	2	Unknown - - -	–	2
ottle work - -	1	Ditto - - -	–	1
rushmaker's workshop	1	Ditto - - -	–	1
rewery - - -	1	Explosion in malt-mill	1	–
alender - - -	1	Unknown - - -	–	1
hapel - - -	1	Overheating of stove -	1	–
olliery - - -	1	Unknown - - -	–	1
ooperage - - -	1	Light falling in shop -	1	–
orn mills - -	7	Kiln - - - -	1	–
		Unknown - - -	–	6
otton mill - -	1	Ditto - - -	–	1
otton warehouse -	2	Fire in adjoining mill -	1	–
		Unknown - - -	–	1
rapers' shops - -	12	Gas accidents - -	8	–
		Defective vents - -	2	–
		Unknown - - -	–	2
welling houses and furniture.	175	Live coals falling on carpets, &c.	36	–
		Defective and foul vents	39	–
		Gas and candle accidents	33	–
		Dress accidents - -	4	–
		Lucifer matches - -	3	–
		Children playing with lights.	4	–
		Lightning - - -	7	–
		Clothes screens falling on fire.	3	–
		Unknown - - -	–	36
		Fires in adjoining premises.	10	–
rm offices, including byres, stables, &c.	20	Boiler fires - -	2	–
		Children playing with lights.	1	–
		Lightning - - -	2	–
		Light falling on straw -	1	–
		Gas explosion - -	1	–
		Supposed incendiarism	–	1
		Unknown - - -	–	12
rming stock - -	28	Spark from locomotive	1	–
		Children playing with lights	1	–
		Lightning - - -	11	–
		Supposed incendiarism	–	3
		Unknown - - -	–	12
ax mills - - -	3	Burning soot from chimney.	1	–
		Unknown - - -	–	2
ax warehouses -	3	Fire in adjoining works	1	–
		Incendiarism - -	1	–
		Unknown - - -	–	1
undries and engine works.	9	Boiler furnace - -	1	–
		Spark falling on shavings.	1	–
		Explosion - - -	1	–
		Unknown - - -	–	6
Furniture warehouses -	1	Defective stove - -	1	–
Granary - - -	2	Fire in adjoining mill -	2	–
Heddle factory - - -	1	Defective stove - -	1	–
Joiner's shops - -	4	Unknown - - -	–	4
Marine store - -	1	Supposed incendiarism -	–	1
Muslin warehouse -	2	Defective stove - -	1	–
		Unknown - - -	–	1
Pawnbroker's shops -	4	Gas accidents - -	4	–
Paper mill - -	1	Unknown - - -	–	1
Plumber's shop - -	1	Beam under hearth -	1	–
Plantations - -	2	Unknown - - -	–	2
Potteries - - -	2	Kiln - - - -	1	–
		Boiler flue - - -	1	–
Provision curing works	1	Unknown - - -	–	1
Railway warehouse -	1	Ditto - - -	–	1
Saw mill - - -	1	Friction of machinery -	1	–
School - - -	1	Unknown - - -	–	1
Ship-building yard -	1	Ditto - - -	–	1
Steam printing office -	1	Ditto - - -	–	1
Shops, spirit dealers -	12	Gas accidents - -	3	–
		Foul vent - - -	1	–
		Adjoining premises -	1	–
		Incendiarism - -	1	–
		Unknown - - -	–	6
Shops, grocers, stationers, &c.	45	Gas accidents - -	9	–
		Lucifer matches - -	5	
		Defective and foul vents	4	–
		Supposed arson, insured, apprehended, but case not proved.	–	1
		Unknown, two suspicious.	–	26
Sugar refinery - -	1	Unknown, suspicious -	–	1
Thatched cottages -	5	Spark from chimney -	3	–
		Unknown - - -	–	2
Tobacco manufacturer	1	Defective flue - -	1	–
Weaving factories -	6	Gas accidents - -	2	–
		Unknown - - -	–	4
Wood-yard - -	1	Ditto - - -	–	1
	378		226	152

The total number of fires in 1866, as shown above, was 378. The cause of fire was ascertained in 226 cases; but in the remaining 152 it was not discovered.

The number of cases in which the origin of the fire was unknown, is 40 per cent. of the whole; but represents 80 per cent. of the total amount of losses.

Amount paid in 1866, 47,360 *l.*

North British and Mercantile Insurance Office,
Edinburgh, March 1867.

Mr. *D. Smith.*

2 May 1867.

1631. You have alluded to some of the causes of fires; is it consistent with your experience that there is a kind of monomania with people to set fire to houses?—I cannot say that I have detected that.

1632. Have you never heard of it?—I have heard that there are some instances of it, but it is a very general suggestion, and I cannot put my hand upon anything to say that there is tangible evidence of such a thing having taken place.

1633. Are you aware of a certain fire having taken place in Paisley about this time last year?—Yes.

1634. And are you aware that a man was discovered to have set fire to the building?—I have only ascertained it from the experience of another office; there was no doubt a report to that effect.

1635. It was thought by some people that the man was a monomaniac?—Yes, it was proved that no benefit could accrue to him.

1636. Have you any further statistics to give us?—No, I cannot say that I have anything particular in the way of statistics to give you further.

1637. Is there anything which you can suggest to the Committee for putting a stop to the frequency of fires?—I may mention that about the end of the year 1866, observing the frequency of fires, and the suspicious circumstances connected with some of them, I had an interview with the Lord Advocate with the view of seeing whether there was anything which the Crown could do with reference to instituting an investigation into the origin of fires, and the Lord Advocate consequently issued a letter to the procurator-fiscal, a copy of which I have, in which he directed that there should be an investigation into the origin of all fires; and since the issuing of that letter there have been a considerable number of investigations into the causes of fires.

[*The Witness delivered in the following Document*:—]

"Crown Office, Edinburgh.

"Sir, 24 December 1866.

"The attention of the Lord Advocate having been called to the subject of inquiries as to the destruction of property by fires, he is desirous that the practice of procurators'-fiscal for the future should be uniform, and that it should be regulated by the following instructions:

"1. Whenever a fire shall have occurred, and circumstances of suspicion as to its origin shall come to the knowledge of the procurator-fiscal, or where he has reason to believe that such suspicion is prevalent, he shall institute and follow out an investigation into the origin of the fire, whether an information shall, or shall not, have been lodged with him, containing a charge of wilful fire-raising.

"2. In cases of extensive destruction of property, or where life has been endangered, the procurator-fiscal shall, without a formal precognition, satisfy himself as to the absence of any ground for suspicion.

"3. When death has resulted from a fire, the procurator-fiscal shall act as directed under the regulations as to sudden deaths.

"4. In any case, the procurator-fiscal shall report his proceedings to the Crown Office without delay.

"I am, therefore, to request that you act in terms of the above instructions, and am, Sir,

"Yours, &c.

(signed) "*T. G. Murray*,

"Crown Office.

"The Procurator-Fiscal."

1638. Has the number of fires been diminished on account of that investigation?—We have not yet had sufficient experience to say so. You are aware that, although our system is in some respects very good in having a procurator-fiscal, who proceeds at the instance of the Crown, yet, in other respects, perhaps it is not quite so good as one would wish it to be, because the whole of those investigations are secret, and we have not, therefore, the benefit of holding up to the public the result of an examination which may have taken place into the origin of any fire; it therefore does not act so well as a deterrent as it does, of course, occasionally act in ascertaining the particular crime; it occasionully finds out the party who has committed a crime, but it does not act so well in reference to deterring others from committing the crime, because the result of the investigation does not always issue in a trial.

1639. Then you would recommend, as an improvement upon the present system in Scotland, that all investigations by the procurator-fiscal should be made public?—I think that it would be very desirable that the investigations by the procurators-fiscal should be made public.

1640. As you have also a considerable insurance agency in England, what would you recommend as an improvement upon the present system in England?—The law in England and in Scotland is so different that it would be presumptuous in me to give any opinion with respect to England. I consider that there should be a judicial investigation in England as well as in Scotland, but as to the mode in which that investigation should be carried out, I think that I ought to leave it in the hands of English lawyers rather than state any opinions of my own. If, however, I was to express an opinion, I think that the coroner is the proper party to undertake a thorough investigation into the causes of fires, partly because that was at one time his duty, and partly because I am not aware that there is any other official throughout England upon whom the same duty could be with propriety devolved. If the county court judge had criminal jurisdiction as well as civil jurisdiction, I confess that I think that he would be a better party for conducting the inquiry than the coroner; but seeing that he has not that jurisdiction I am not aware, speaking individually, that there is any other functionary than the coroner whom you could properly have for carrying out such an investigation.

1641. In investigating into fires in Scotland, can you tell us the mode of procedure?—Yes, I can tell you the mode of procedure, in consequence of three or four cases which have occurred within our own experience. The first thing, of course, is, that the police are instructed immediately to inform the procurator-fiscal when anything

ing occurs, and the police bring him information to any circumstances connected with the fire; then applies to the sheriff of the county for a warrant to enable him to cite such witnesses as thinks proper, with a view to making an investigation; he brings up the whole of those witnesses before the sheriff, and the examination is conducted or heard before the sheriff. When the investigation is over his proceedings are sent forward to the Crown Office in Edinburgh to be submitted to the Lord Advocate's deputes, every one of whom has a special district of country appropriated to him, and the matter goes before that particular deputy advocate; if he thinks that the evidence is sufficient to justify a trial, he orders the person to be tried; if he thinks the evidence not sufficient, he directs further inquiries to be made by the procurator-fiscal, and the result to be again submitted to him; and if he still thinks that the evidence is not sufficient to justify a trial, no further proceeding takes place. We find, according to our views, that they are too unwilling to try parties. That is quite natural, and, of course, it is quite proper that there should be no trial unless the evidence is pretty conclusive; but, on the other hand, we all know that these public functionaries are anxious not to have an abortive trial.

1642. Are the procurators-fiscal paid by fees?—No, they are paid entirely by salary excepting their outlays; they have, therefore, not any inducement to get up a case; we find that even procurators-fiscal are not so very anxious to make inquiries as we think might be the case.

1643. Then the Scotch system in its present state is not so perfect as you would like it to be?—Not in its present state; we have had one or two instances; I can give you one without referring to names; it is an instance partly of the necessity of investigation, and partly an instance of what I think is an error in our system. A fire occurred in a draper's shop in the north, and the circumstances were certainly very suspicious; properly speaking, the draper belonged to another district of country, where he had a very large establishment, and from this he supplied this northern establishment from time to time; he had lodgings in the town where the shop was; he had an insurance in our office, which was very nearly expiring, and he himself was going to remove from the place where the goods were, to another part of the town; the landlord had given him notice to quit. One morning he got up early, about five o'clock; the servant saw him go down-stairs; he said that he was going to make up a parcel to send by a young man south. In about three-quarters of an hour he went again to bed, and in about a quarter-of-an-hour afterwards a fire burst out in the shop where he had been to make up the parcel; there was an immediate investigation into the matter, and there were some lucifer matches found; but I believe that it was understood that he had lighted the gas with a lucifer match, and had just thrown it down, and it was supposed that it was in consequence of that accident that the shop had taken fire, but there was a total loss. The Crown did not think that there was sufficient evidence to try the case, but it must be apparent to every one that it was one of those cases in which an investigation was desirable, and I think that it would have been better if we had had an investigation of that kind *in foro publico*, so as to bring before the public eye at once, not only the circumstances connected with the case, but the determination of the Crown to take cognisance of those circumstances, and thus act so as to deter others from committing crime; I think this very desirable, in reference to another point, namely, that of exposing culpable carelessness.

1644. Do the police initiate an investigation into all fires?—The police do not of themselves investigate those cases; the procurator-fiscal tells them in all cases to bring reports to him; the orders of the procurator-fiscal to the police are to bring him notice of every fire which occurs; as a matter of course, he exercises his judgment in reference to whether a fire is of a suspicious character, or whether the cause is such as can be ascertained.

1645. Then, in fact, it lies with the procurator-fiscal to say whether there should be an investigation, or not?—It does so, under those instructions; there is a procurator-fiscal for every county, and in some of our burghs there is also a procurator-fiscal for the burgh.

1646. A frequent cause of fires is culpable carelessness, is it not?—That is a very great cause. I should say that almost the great majority of cases arise from culpable carelessness.

1647. Will you give us some idea of what you mean by culpable carelessness?—For instance, from lucifer matches, the very case which I have alluded to, assuming that there is no crime, is a case of culpable carelessness, namely, the case of a man lighting a match and throwing it aside in loose shavings or loose materials. We have had also two or three cases in our own experience of farm servants smoking in a hay-rick and throwing their pipes there; we have had one case of a fellow lying in a hay-cart surrounded with hay and smoking, and of course the hay took fire. Those are cases which I consider to be cases of culpable carelessness.

1648. In such cases do the insurance companies pay?—Yes.

1649. Even if it is culpable carelessness amounting almost to crime, you pay?—Yes.

1650. Then are not insurance companies much to blame?—I cannot say that insurance companies are always free from blame; we do not make that thorough investigation into the cases ourselves, which, speaking merely from a public point of view, we perhaps ought to do; and I am afraid that we are rather reckless also in taking risks which we should not take.

1651. You think that the laws should interfere there?—It is not a crime, it is not an offence which you could indict, and supposing that the carelessness was made we could not refuse to pay a party whose house was insured because his servant was careless.

1652. Take the case of the engineer of a locomotive, who by his culpable carelessness precipitates a train over an embankment, the law gives the power to apprehend and punish that man?—That is quite true.

1653. You have mentioned the case of a man sitting by the side of a hay-stack and smoking; supposing that he throws away his pipe, and that it fires the hay-stack, and that the fire, perhaps, reaches the dwelling-house, and life is sacrificed, what difference is there between that case and the case of the driver of a locomotive engine?—None.

1654. But

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1654. But the law does not deal with one case whereas it does deal with the other?—Just so.

1655. You say that it would be a good thing for the country if the law were extended to such cases?—I confess that I think that it ought to be made a crime, although I do not think that it ought to be punishable very severely.

1656. Both in England and in Scotland I believe that it is very common now to prohibit servants from smoking on farm steadings?—Farmers endeavour all they can to prevent it.

1657. That is made an ordinary condition on engaging servants?—Yes.

1658. Supposing that a man is discovered smoking, and it is proved that a fire was caused by his smoking, cannot that man be punished for disobedience of orders?—I am not aware that he can be punished; indeed, I do not think that he can be punished.

1659. Mr. *Tite.*] It would depend upon the agreement?—He might be liable to the farmer, so far as his wages were concerned, but he could not be punished criminally.

1660. *Chairman.*] Are you aware what provisions are made in Edinburgh, where you reside, for the extinguishing of fires?—We have a very good fire brigade; and we have a very good supply of water.

1661. What are the regulations as regards the turncocks?—They always keep up a full supply, and at full pressure.

1662. Are those appliances always in good order?—I cannot say that they are always in such good order as they might be, but we really cannot much complain; I have scarcely ever known any difficulty in getting water supplied to any fire. I am happy to say that, as far as Edinburgh is concerned, we have been very free from fires.

1663. I suppose that the pressure there is very great?—It is very considerable.

1664. Do you know what it is?—I cannot give it; but the water comes from the Pentland Hills, and we know that it is 200 or 300 feet above the level of the town.

1665. Mr. *Tite.*] What regulations have you for getting turncocks to act?—The man is obliged to act the moment that notice is given.

1666. Can the parties connected with the fire brigade have access to the water?—No.

1667. Do you not sometimes find that you are without water from that cause?—We sometimes find that there is delay.

1668. *Chairman.*] Is there anything which you would suggest in order to remedy that?—I do not know that there is.

1669. There is sometimes a very great demand in a particular place?—Yes; the water company is a private joint-stock company, and as a matter of course their interest is to protect the water as much as they can. In fact, we sometimes have complaints against the water company of the want of water; but I cannot say that we can complain much of them, so far as the insurance company is concerned. Individual parties sometimes complain.

1670. Do you not think that it would be an advantage, even in the case of private companies of that sort, that a policeman, or the foreman of the engine-men, should be particularly entrusted with the power of turning on the water?—It would be a great advantage.

1671. Mr. *Tite.*] And it would be practicable?—Perfectly practicable.

1672. *Chairman.*] Can you tell us whether the proportion of fires whose causes are unknown is the same in England as in Scotland?—In so far as our office is concerned, I think that the proportion is pretty much the same. Perhaps we have not had so much experience in England in reference to that subject as we have had in Scotland, because our great country business is done in Edinburgh itself and as regards the fires in London, we have not had that experience, so to speak, of them. I may mention that I find that in Newcastle, where we have a large branch, and do a large business, the proportion of unknown fires to known fires is much the same as in Scotland.

1673. Are these unknown fires generally what you would call suspicious fires?—I must say that I think that they are fires which ought to be investigated.

1674. And the effect of that investigation, in your opinion, would be to reduce the number of fires?—I think that such an investigation would reduce the number of fires.

1675. Mr. *Agar-Ellis.*] Would you have an investigation in every case?—In every case. By "an investigation," you mean an initiatory inquiry?

1676. Yes?—Certainly.

1677. Mr. *Lush.*] You have mentioned that in your experience there has been a great increase of fires in the last few years?—We think so.

1678. And the causes are unknown in a great many instances?—Yes.

1679. Do you think that, in many instances where fires occur, the causes are intentional?—In many instances they arise, I think, from the act of the parties directly, or from such gross carelessness as is almost equal to it.

1680. You think that many of the fires which take place are from preventible causes?—Yes; there must be a very great many fires which we call unknown, as to which if there was a thorough investigation, you might easily find out what the cause was. On the other hand there are a great many fires where it is almost impossible to discover the cause from the small amount of evidence.

1681. As a practical man, you think that a great many fires occur from preventible causes?—Yes.

1682. And if proper means were adopted they would not occur?—That is my opinion.

1683. Has a bad state of trade anything to do with fires?—We find it to be so occasionally; when a particular trade is not very flourishing there are fires.

1684. You have mentioned that when a fire occurs in the neighbourhood, other fires occur in the same locality very extraordinarily?—Yes, the same offence takes place.

1685. It is something like an epidemic?—Very nearly so.

1686. You say that the risk in the case of a dwelling-house now is much about the same as it used to be?—Yes. I do not think that there is much difference.

1687. But the risk has increased in the case of farm-houses?—Yes, and with farm stock. We have had a considerable increase of fires lately.

1688. How do commercial risks stand?—In commercial risks we have had a considerable number of fires lately.

1689. Do

1689. Do you think that you have charged too low premiums, or that fires have increased?—The fires have increased; as to taking too low premiums I think that we do charge too low premiums in some cases.

1690. As respects commercial risks, the class of goods now placed in stock, such as petroleum and jute, and things of that description, are more inflammable than they used to be?—Yes.

1691. And perhaps the fires in those cases are not so preventible as you think, but may arise from other causes?—No doubt; a good many arise from what may be called spontaneous combustion, amongst the articles themselves, which cannot be prevented, and we may not charge sufficient rates upon some of that class of goods.

1692. Do you think that there should be a public investigation?—Yes.

1693. And do you think that that should apply in every case of a fire?—Yes; I think that there should be an inquiry by the police in every case.

1694. Before whom should that inquiry be made?—I cannot pretend to say here what would be the best proceeding, but one would naturally say that the party should be brought before the magistrates the same as in the case of a foul chimney, where a man is fined. I do not see why the same system should not be carried out in reference to fires where it is necessary.

1695. You have mentioned that the coroner is the best party for conducting the inquiry?—Yes.

1696. Why?—My reason is, first, because he was the party who some years ago did make an inquiry, and secondly, because I am not aware that there is any functionary in the country to whom you could apply except himself. There is a justice of the peace and there are the quarter sessions, but the quarter sessions would hardly do.

1697. Before whom is it natural to take a party who transgresses the law?—The police magistrate.

1698. Who is it that tries criminal cases in the police district?—Either the police magistrate, or the justices of the peace.

1699. I suppose that you think that they are most conversant with criminal cases?—Yes; if you could have the county court judge, I think that he would be the best person.

1700. Why do you say so?—Because from his knowledge of law and his knowledge of evidence he would be able to investigate matters much more expeditiously, and much more effectually.

1701. Are you aware that a police magistrate, for example in London, tries ten cases for every one which a county court judge tries?—Unquestionably, a police magistrate in a town does so.

1702. And should he not know much more of law in trying such cases than a county court judge?—That would depend upon the experience which the county court judge would have, but unquestionably now the police magistrate would be the best party. I do not know that he would have the same authority in country districts.

1703. Have you any Building Act in Scotland?—We have only Building Acts in reference to particular towns in Glasgow and Edinburgh; we have a Police and Building Act, but we have no Building Act applicable to the whole of Scotland.

1704. Have you anything to suggest with respect to the nature of buildings which you think would be desirable?—No.

1705. Cotton mills and sugar houses, and theatres, and certain places are much more liable than other places to take fire, and the losses are greater?—That is quite true.

1706. Have you any remedy to apply to those places?—So far as theatres are concerned, we have a remedy to a certain extent; that is to say, that the public authorities, in the case of a theatre, see how it is built, and see that certain arrangements are made before they license it. So far as flax mills and such buildings are concerned, we have no authority, except that the dean of guild is entitled to interfere, if he sees that the building is dangerous to the lieges; but he has nothing to do with reference to the extinction or prevention of fire. I do not see any measure which I could suggest so as to force a party to build his mill in a particular form. I think that the remedy which the managers of fire offices endeavour to enforce is by putting an additional premium on those mills which are badly constructed.

1707. Mr. *Tite.*] With regard to the inquiry which you suggest in all cases of fire, who is to pay the expenses of it?—The public.

1708. Are you aware that in London that has been attempted by the coroner for the City of London, Mr. Payne, but that the public objection to paying the expenses of those inquests is so great that it has been put a stop to?—I have not heard so.

1709. And that the fire offices refuse altogether to contribute to those expenses?—I was not aware of that.

1710. And that, in point of fact, the fire offices do not seek for the inquiry; do you know whether that is the case or not?—I know that the fire offices are very anxious for an inquiry.

1711. That is to say, so long as they do not pay for it?—So long as they do not pay for it, of course.

1712. In point of fact, do you know that the fire offices do not desire these inquiries, and that they think them undesirable; I mean in London?—So far from that the question was brought before a general meeting of all the insurance companies, as to the desirability of having a judicial investigation into the origin of fires, and it was unanimously carried that it was highly desirable that it should be done, and a committee was appointed upon the matter to see how far such an investigation could be carried out, and I may, without any presumption, say that, to a certain extent, in consequence of that resolution this Committee is sitting. We think that we ought not to pay because we think that it is a public duty; that it has not reference to ourselves alone, but is a public question. In a case of crime, as you are aware, private parties in Scotland do not pay for the expenses of such investigations, and I cannot see any reason why they should pay in England. Of course I only give an individual opinion.

1713. The matter is under the consideration of the fire offices now, is it not?—We have a committee of officers appointed to consider this matter.

1714. That is with reference to the appointment of this Committee?—Yes.

1715. You do not kn ow anything of the pro-

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ceedings which took place 10 or 12 years ago? —No.

1716. *Chairman.*] I suppose that what you mean is, that there is a committee of the fire offices appointed to get up evidence for this Committee, with the special object of trying to get an investigation?—There was a committee of the fire offices appointed for the express purpose of endeavouring to get the Parliamentary Committee, which is now sitting, appointed: there was no committee appointed for the purpose of endeavouring to get up evidence.

1717. Mr. *Lusk.*] You mean that the object of the committee is to supply us with all the evidence which they can?—Yes.

1718. *Chairman.*] Have you any further information to supply to us?—One question was asked of Mr. Fletcher with reference to the fires, in properties uninsured as contradistinguished from fires in properties insured; from my experience, I think that in the great majority of cases, where there have been fires, the property has been insured. I do not think that one-tenth of the fires in Scotland in the last year have occurred where the property was not insured; of course, as you are aware, there is a very large amount of property in Scotland not insured; a number of noblemen are their own insurers, so far as farm buildings are concerned.

1719–20. Mr. *Lusk.*] It is your experience that the property which is uninsured, of which there is a great deal, does not take fire so readily as property which is insured?—Most unquestionably.

1721. Far more fires occur in property which is insured than in property which is not insured? —Yes; but as to this I speak only from my own personal observation in Scotland. There are, I have no doubt, a great many fires both of property insured and uninsured, as to which I may hear nothing.

1722. Mr. *Kinnaird.*] Should you say that there are more fires in farming stock in England than in farming stock in Scotland?—I should say that proportionally there are not, but of course there are a greater number of fires in England than in Scotland.

1723. The material is not more fireproof?—I should think not.

1724. Mr. *Lusk.*] You say that far more fires take place in property which is insured than in property which is not insured? — That is my opinion.

1725. Do you think that the fires which take place in property which is insured arise from carelessness or from other causes which you cannot ascertain?—Of course one would say off-hand that the great majority of cases are from carelessness. Unquestionably crime has an influence, there is no doubt about it, in a number of cases, but I cannot say that is so in a great number of cases.

1726. You mean to say that where a man has his property insured he is indifferent about it?— He is much more easy about the matter, and that has more influence when a man's stock is deteriorated in the market; he is not half so careful in looking after it.

1727. You think that by having a public investigation in every case, whether the fire is accidental or not, it would tend to stop that carelessness?—There is no doubt about it.

1728. If a man was brought before a magistrate in every case, you think that he would be very much more careful?—Yes, and more particularly the servants would be so. If they were brought up before a police magistrate in the presence of the public, they would be much more careful as to the wanton carelessness of which they have been guilty; I am quite certain of it.

1729. Mr. *Kinnaird.*] Have you any other suggestion to make with reference to arresting the criminal portion of the fires?—I do not know that I have.

1730. Mr. *Lusk.*] You think that in every case where a fire occurs it should be an offence at law?—Decidedly, however trifling.

1731. And you think that every man should be liable to be fined at the discretion of the magistrates, whether the fire is accidental or not? —Clearly; I think that it ought to be a matter of crime.

1732. You need not call it crime?—I will not call it crime; it ought to be an offence. You have the same kind of thing in the Police Act, as to chimnies. If a tenant has neglected to clean a chimney, and there is a foul vent, he is fined for it, and I do not see that there is any difference between the two cases.

1733. *Chairman.*] Have you anything further to add?—A question was asked of Mr. Fletcher with reference to the *locus standi* of fire insurance companies in the case of Water Bills. You are, I have no doubt, aware that insurance companies have until last year been allowed to appear and oppose Water Companies' Bills, where those Bills had not the public clauses in them for the purpose of having a sufficient pressure of water, but about a year ago there was a decision of the Referees refusing them a *locus standi*, acting upon the very strict technical nature of the principle. I cannot say anything against it, because I dare say that it was right; but at the same time there is no doubt that it would be a great advantage if insurance companies were permitted to have a *locus standi* in reference to Water Companies Bills, because nobody will come forward to oppose such Bills, except parties such as we are, who are directly interested in seeing that these provisions are carried out. When a Water Bill comes before the Chairman of Committees, and there is no opposition, the promoters of the Bill say, "We wish to have those public clauses excluded from our Act." We all know that the opinion of the solicitor, or of the engineer, saying that there is a great difficulty in making those clauses apply, is quite sufficient to warrant the Chairman of Committees in excluding them; but it might be a very different thing if those parties were put upon cross-examination, and if the opponent saw whether there was good reason why those clauses should be excluded; and I do not know anybody who would have the same interest in seeing a Water Company's Bill properly framed, and the clauses properly adjusted, as the fire insurance offices; and I think that it would be desirable to allow us to appear, which permission we had for a good many years until last year.

1734. Mr. *Kinnaird.*] Do you believe that if the power was given the various companies would exercise it?—There is no doubt of it; because

because we try all that we can; so much so, that we have a solicitor expressly for the purpose of examining these Water Companies' Bills, and bringing under our notice anything which may appear to be at variance with the public Act.

1735. Mr. *Lush.*] A water company is a joint-stock company?—Yes.

1736. A fire insurance company is a joint-stock company?—That is quite true.

1737. Have you any right to interfere with their affairs, any more than they have a right to interfere with your affairs?—The only excuse for it is this, that there is a public Act regulating the provisions which should be insisted on in all Water Companies' Bills. A particular company asks the Legislature to exclude from their Bill the clauses which the Legislature says should be inserted in all Water Bills. Now, we have a direct interest in seeing that those clauses are inserted.

1738. Need you take any risk unless you like?—No.

1739. *Chairman.*] Would any person in a town be allowed to do it?—No; he has no *locus standi*; only corporations have a *locus standi* now.

Monday, 6th May 1867.

MEMBERS PRESENT:

Mr. Agar-Ellis.	Mr. Lusk.
Mr. Beach.	Mr. M'Lagan.
Lord Richard Grosvenor.	Mr. Read.
Mr. Horsfall.	Mr. Tite.
Mr. Kinnaird.	Mr. Turner.
Mr. Lanyon.	

PETER M'LAGAN, Esq., IN THE CHAIR.

MR. WILLIAM SWANTON, called in; and Examined.

Mr. *W. Swanton.*

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1740. *Chairman.*] In what capacity do you appear before the Committee?—I am Superintendent of the London Salvage Corps.

1741. What are the duties of the salvage corps?—The duties of the salvage corps are to attend all fires, and to save and prevent damage to property as much as possible.

1742. How is the salvage corps supported?—By the insurance companies.

1743. Have you ever had anything to do with the fire brigade?—I was nearly 18 years in the fire brigade before joining the salvage corps.

1744. What was your position in the fire brigade?—I occupied various positions; I was in charge of the western district for some years previous to leaving.

1745. The western district comprising what?—It would take in the greater part of the west end of the town.

1746. You have devoted considerable attention to the statistics of fires, I believe?—I have.

1747. Have you any statistics to favour the Committee with?—Fires have been very much on the increase of late years, as I am prepared to show you.

1748. Have you any facts to show that?—I have made a calculation, showing that in 1852 there was one fire for every 2,559 persons according to the census of 1851, whereas in the year 1862 there was one fire for every 2,152 persons.

1749. Showing a considerable increase?—Showing an increase of over one-fifth. That increase also applies to the number of houses.

1750. That refers solely to fires in London?—Yes.

1751. To the metropolitan district?—No, some of them would be beyond that district; that would refer to fires actually attended by some members of the London Fire Brigade.

1752. Did you ascertain what the causes of those fires were?—The causes of a great many of them were not ascertained; some of them were very unsatisfactory.

1753. In what proportion were the unascertained cases?—In the year 1865 the number of unknown and unsatisfactory cases would be very nearly 700 out of 1,500.

1754. Were many of those 700 fires cases where you had suspicions?—Yes.

1755. What proportion of them?—I should think about 40 per cent. of the whole. And that proportion increases again in the year 1866.

1756. In the year 1866, how many fires were there of unascertained causes?—They were over the proportion of 1865, or about 44 per cent.

1757. Can you state the number?—Yes; over 700. Some of them would apply beyond the metropolitan district; they would be 8 or 10 miles out, from the Royal Exchange.

1758. Mr. *Kinnaird.*] You mean taking a radius of about 10 miles round London?—I think I might say that.

1759. *Chairman.*] I think you have stated how many fires there were last year, the causes of which could not be satisfactorily accounted for?—Yes, there were over 700. I am putting together in that case the unknown, the doubtful, and the acknowledged incendiary fires where cases of conviction have been brought home.

1760. Five hundred and eighty-nine of those were simply cases in which the causes could not be satisfactorily accounted for?—Yes; that was the number reported as unknown.

1761. What proportion of the 589 do you think were on insured property?—Four hundred and eighty of the 589 happened on insured property.

1762. That is to say, nearly about five-sixths of those fires, whose causes were not satisfactorily accounted for, were on insured property?—Just so.

1763. Has the proportion of untraced fires increased of late years?—Yes, very much so.

1764. Could you give us any idea of the rate of increase compared with the number 10 or 12 years ago?—Taking the last two years, the number of unknown fires has increased at the rate of over 10 per cent.

1765. That is to say, 10 per cent. increase?—Yes, 10 per cent. increase on the total number of fires for the last two years.

1766. Then, what has been the increase of untraced fires during the last 14 years?—I have not been able to get that information.

1767. You have a table which you could, perhaps, hand in to the Committee, have you not?—It is principally with regard to the number of fires in comparison with the number of houses and the population. (*The Table was handed in,* vide *Appendix.*)

1768. You have given us the number of fires in proportion to the population in 1852; could you give us the number of fires in proportion to the number of houses in 1852?—I find the number of fires in proportion to the number of houses in the metropolis in 1852 was one fire for every

54 houses, whereas in the year 1862 there was ne fire for every 291 houses, showing an in-rease of at least one-fourth on the fires in 852.

1769. Could you give the Committee the pro-ortion of fires that you believe to be incendiary, r wilful, from 1852 to 1866?—I have a table ere showing my view of the proportion, but I ave not got a correct account of that; it is not ossible to get a very correct account, because ifferent people who would have the reporting of res may have different views with regard to the auses. I might think this is a very suspicious ase, and say it should be called incendiarism. nother man attending the same kind of fire ight call it an unknown or untraced fire, rather an almost charge the man with a crime. A reat many of the unknown fires are wilful fires; t least we think so, from the circumstances sur-ounding them.

1770. But your impression is that there has een a large increase of incendiary fires?—There no doubt of it.

1771. You, from the position which you hold in he salvage corps, and from being an officer of the re brigade, have directed your attention to the eans of extinguishing fires?—Yes, very much so.

1772. Do you think that the supply of water n London is sufficient for fire purposes?—It is ltogether very unsatisfactory.

1773. Is it unsatisfactory with regard to the uantity, the pressure, or with respect to both articulars?—Both, I should say, decidedly.

1774. You think, however, that the pressure is ertainly deficient?—I do not think if the mains ere continually charged, it would be found so ery deficient; but the mains are not constantly harged, therefore we find a great want of water, hether the pressure could be applied or not; it not always so.

1775. Mr. *Kinnaird.*] Will you explain to the Committee what is the state of the mains; when the pressure on?—Simply when the mains are harged by the turncocks, in most instances.

1776. That is only at certain times of the day; ery early in the morning, is it?—It does not ollow because the water supply to a house is not n, that there is no water in the street; there is ater in the mains, perhaps, and it might be vailable if the cocks which supply those mains hrough the intermediate streets were turned on, ut that is not the case.

1777. What are the motives of companies for ot keeping the mains charged?—I believe it as been said that the internal fittings to the ouses are not in good order, and they are afraid f keeping the mains charged for fear there should e a great waste of water, which no doubt there ould be, unless the fittings were in good order.

1778. But that is remediable by an Act re-uiring each house to keep its pipes in order?—ery easily, and at little outlay, I should think.

1779. Lord *Richard Grosvenor.*] It has been tated in evidence in many other Committees of his House that it would be an enormous expense nd imply a change of the whole system to have he water supply always on in the mains with the resent existing fittings?—I know that many of he works are not very good, but in many cases n London at present when a fire happens the ains are not charged, and the turncock comes nd applies very hurriedly a great pressure; if he pipes stand that, as they do, I believe they ould be much more likely to stand it when the pressure was equal, and all parts taking a fair share of the strain.

1780. But how would it be with regard to the internal fittings of the houses?—That might be done by compelling the landlords to keep them in order.

1781. *Chairman.*] Would it be very expensive?—No, I should think not.

1782. Who should take that in hand, do you think; have the Metropolitan Board of Works that power?—No, not at present.

1783. Mr. *Kinnaird.*] It would have to be done by an Act of Parliament, would it not?—Quite so; I think the best move to make is to have the internal fittings in good order, and then we might at present have at least two-thirds of the mains of the whole of London charged, so that at any moment the plugs could be started and the water found at once for extinguishing fires.

1784. *Chairman.*] But besides having the mains in good order you would think it advisable to instruct some of the constables how to start the plugs on their beat?—The greatest advantage possible to firemen taking engines to fires is that they should, before they get to the fire, see where they could get a supply of water from; nothing would tend to reduce the loss by fire in London so much as for the firemen to see a plug flowing for the engine before it reaches the fire. A great deal of time is wasted now after the engine has got to the fire in ascertaining where they shall get the water from, whereas, if they saw the water in the distance, they would at once run over it and get to work. That might be done by letting the constables on every beat have a small box like a letter-box by the gas lamp with a mark in the glass to show where the box is, the constable carrying a small key like a railway porter's key, by which he could get tools to start a plug. I do not attach so much importance to stopping the supply of water as to getting it quickly; the turncock might take his time about turning it off, as he does now, if he pleased, but by that means water could be quickly had for a fire.

1785. You think that it should be part of the duty of constables, particularly at night, to know where the turncocks keys are kept?—Yes; it could always be done, either night or day. With regard to the supply of water in the waterside neighbourhoods, I could mention places on the south side of the river especially, where, many times during a month, the mains are completely empty. One day last week the mains were empty for nearly the whole of the day, in one of the company's districts on the south side. The fire brigade authorities knew nothing of it, and, had a fire happened, it would have been a very serious matter; when waterside or important places are going to be left without water, the fire brigade should always be apprised of the fact before it is done, and then they might have a steam floating engine on the spot, if necessary, and near the river.

1786. Do you know if that company was bound by the Act of Parliament to have its mains full?—I think not; but I have not referred to their Act.

1787. Do you think it would be an advantage for every water company, private or public, to be bound by an Act of Parliament to have its mains full?—No doubt of it; it should always be insisted on.

1788. And if at any time they had to make

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repairs, and they should have to take off that pressure, they should intimate the fact to the fire brigade?—Yes, more especially in waterside and important places; many fires have happened when the tide has been out.

1789. Mr. *Kinnaird.*] When the tide is out is there a very great difficulty in getting water?—Yes; in many waterside fires in London the fire has happened when the tide was low, and the river not available for land engines.

1790. I thought that the floating engine on the Thames was always available?—Yes, but unless they have some intimation that the mains are empty they would very likely be at the other end of the river, and, trusting to the land water, not get under weigh for everything they heard of; therefore the fire brigade should always be apprised before the mains are emptied.

1791. *Chairman.*] Do you think the buildings generally that come before you, in your experience, are sufficiently safe to prevent the spread of fires?—No, I think there is a great want of a change in that respect.

1792. Do you think that the Metropolitan Building Act is stringent enough?—I think not in many particulars.

1793. Are you aware whether the surveyors appointed under that Act are strict enough in the discharge of their duties in seeing that the buildings are properly constructed?—Many things are done wrong, and contrary to the provisions of the Act, without his knowledge.

1794. Old houses are converted into warehouses sometimes, in such a manner, I believe, as to make very inferior warehouses indeed?—That is so, and in such cases are dangerous to life and property.

1795. That is dangerous for fires, is it not?—Very much so; no old houses should be converted into warehouses without having division walls; it should not be permitted that a large dwelling-house should be made into a warehouse with mere timber partitions, as we very often see now, and hazardous goods stowed therein. I visited a place of this description last week, where a whole family are living and sleeping over 100 barrels of paraffin oil, with nothing but slight timber partitions dividing it from them; this is still to be seen.

1796. Do you think that before any house should be converted into a warehouse for the storage of hazardous goods, the approval of the district surveyor should be obtained for it?—Certainly, in all cases.

1797. Is it not of great importance for the prevention of the spread of fires to have a proper classification of goods for storage in the warehouses?—I should say so, decidedly; much destruction would be saved thereby.

1798. Have you devoted much of your attention to that?—I have done so more lately than I ever did before.

1799. Particularly have you devoted your attention to the storage of inflammable and explosive materials, such as sulphur, nitre, and having them stored contiguously?—Yes, I have.

1800. Has any case occurred to you, in which they were stored contiguously, where a fire took place?—We have had some cases of that description lately; not sulphur or nitre, but many other things; petroleum, paraffin, jute, and fibres of various kinds equally as dangerous in its way.

1801. And stored contiguously in buildings, or rather in compartments of a building, contiguous to one another?—Yes, in first-class warehouses where it was not expected to be found.

1802. Petroleum and turpentine you would consider most dangerous things for storing anywhere, no doubt?—They are very dangerous things; not so much that they would fire other property, but that they would defy the efforts of the firemen and others to extinguish. Nothing can be much worse than having liquid fire running about and threatening everything around it.

1803. Is it not the fact that sometimes several casks of turpentine are kept in ordinary retail shops?—Very often.

1804. Have you ever heard of any fire happening from that cause?—Not directly, perhaps, from that cause, but we have had many cases where persons dealing in that kind of thing have been burnt out, and we have never found out the cause. We have a right to think that that has been the cause, not so much turpentine as paraffin and crystal oil, and the like inflammable oils now so much used.

1805. With regard to paraffin and petroleum, have you studied that subject chemically; do you know the average firing point of the paraffin burnt in London?—I know that it is said that Young's paraffin is very safe, but I have known cases where it has been said that they were dealing in paraffin, where it is nothing of the kind, but some other oils very nearly as inflammable as petroleum itself.

1806. What would be the firing point of these oils generally?—I think Young's is said to be something like 135°.

1807. You are aware, I suppose, of the Petroleum Act; do you know the firing point allowed there?—I am not sure, but I think that is supposed to be not less than 100°.

1808. You do not know whether petroleum is ever sold in London with a firing point of less than 100°?—It is said that it is not; but we have a right to suppose that it very often is, as there are so many descriptions of it more or less inflammable; there is an Act which gives protection for petroleum itself, but does not name various other oils which are quite or nearly as dangerous, and give off inflammable vapour at as low a temperature as petroleum.

1809. That crystal oil, for instance?—Yes, and there are half-a-dozen of them at least.

1810. Lord *Richard Grosvenor.*] But all those oils are the produce of petroleum in some way or other?—Yes, I think the most of them are.

1811. Mr. *Kinnaird.*] Only that the sellers take another name in order to enable them to evade the Act?—Quite so, in many cases.

1812. *Chairman.*] Have you ever found a fire take place from an explosion in a shop, not of ordinary gas, but of some other inflammable gas?—Yes.

1813. Are you aware what was the nature of the gas that took fire?—I do not think that that has ever transpired. We have had fires caused through fire annihilators.

1814. Is it not likely that an explosion would take place if a light were brought into a shop in the morning, in which a quantity of turpentine had been left exposed during the night?—I think that is likely; but when a place is on fire, it is very difficult even for the first firemen on the spot to tell of what kind of gas a fire originated. I think there would be no harm in people dealing with as much petroleum or paraffin as they please, provided they were kept in proper places,

say

say in yards for shops, and in barges afloat in the river for wharves and warehouses; not landing them until they were quite ready to take them into some safe place.

1815. Do you not think that it would be an advantage to have a law enacting that no petroleum, paraffin, crystal oil, or other such oil shall be sold in any retail shop with a firing point of less than 110 degrees?—Yes, I think it would be right to have an Act of that description; but we should go further, and not allow them to have more than a certain quantity. If we could confine the quantity to 10 or 12 gallons, that would be an advantage; and all above that should be kept specially apart in some building properly constructed for the purpose, there would also be an advantage in keeping the firing point even greater than that (say 130).

1816. You have stated that there was a great increase in the number of fires, and also in the number of suspicious fires; could you give the Committee any opinion with regard to any means of preventing the frequency of fires?—I think that an investigation would put a stop to a great many.

1817. An investigation by whom?—By the police, because they would have the least interest in any result of the investigation.

1818. Have you devoted much attention to that subject?—Yes, I have.

1819. Will you give the Committee some idea of the mode of procedure which you would recommend in case of a fire taking place; I mean the best way of discovering the cause?—As soon as convenient after the fire, say a day or two, either the Brigade or the Salvage Corps should give the police such information as came within their notice, and then steps should be taken.

1820. Would you recommend that to apply to every fire?—No; but every fire the cause of which was not accounted for satisfactorily. Not to have an investigation into the cause of every fire; it might be effectually done by taking the unknown and suspicious cases.

1821. How are you to arrive at those unless you have some investigation into every fire?—We should have some investigation into every fire, but not a coroner's inquiry; if the police were satisfied with what they saw, it should be for the coroner, upon their report, to say whether it should go beyond that or not.

1822. The police should report every suspicious case to the coroner, you think?—Just so; and all where seemed any doubt about.

1823. Do you think that the coroner would be the proper party before whom to bring suspicious cases?—I think so.

1824. Would it not impose a great increase of duty upon him?—Yes, it would.

1825. Do you think that the coroners would be able to undertake all cases of suspicious fires in London?—Perhaps not the coroner himself, but he might have a deputy to do so.

1826. Then do you think he should be paid by fees or salary?—By fees, certainly; because after a short time we should find a great reduction in the number of fires; therefore, what would be an adequate salary at the commencement, would perhaps not be expected in a year or two.

1827. Who, in your opinion, ought to pay the fees?—I should think they might be paid from the fund by which the Fire Brigade is supported, from the Board of Works.

1828. Do you not think that the insurance companies should pay a little?—They might be asked to pay a little, but I do not think that they have the entire interest in every fire, because we have fires on uninsured property at times.

1829. Have you ever known any fires that were suspicious which might have been investigated by the insurance companies in whose office the property was insured?—Yes, I have known many such cases.

1830. You think that the insurance companies ought to have proceeded against the parties?—Yes; but there was a want of proof in many cases.

1831. They were to blame, you think, for not doing so?—The circumstances were all very doubtful and suspicious; it might have been hardly wise to charge the people, as it is a very difficult thing to bring proof.

1832. You think that the insurance company should not institute any proceedings, except in cases where the proof is very clear?—I think they should not do it at any time, it should be done by the police; the insurance company have an interest in it, and the police have not.

1833. It is the duty of the police, and not the duty of a commercial company, you think?—Quite so.

1834. Mr. *Agar-Ellis.*] With regard to the fire-plugs, you have stated that you think the person to turn the water on as soon as the fire was discovered would be the police constable on duty?—Yes, the main should also be constantly charged; the next thing is for the police simply to start the plug, which could be done by tapping the plug round without many tools or much difficulty.

1835. They would require some tools, surely?—Something in the nature of a small crowbar only.

1836. Lord *Richard Grosvenor.*] The present fire-plug, you are aware, is one of the most barbarous and primitive instruments in the world?—Yes; but it would cost so much to revise all the plugs in London, that many useful things for fires might be done with the money that would cost, and the plugs answer the purpose very well.

1837. Mr. *Agar-Ellis.*] You think there would be no necessity for the Fire Brigade to have the power of turning on the water?—For the reasons I have stated, it would be advisable to let the police do it; the Fire Brigade could not do it until they got to the fire; there is some time wasted before they can tell where to start the plugs after getting to a fire.

1838. Could you give any sort of detail of the number of fires where the Fire Brigade has had to wait for water?—Within six months, from January to July 1866, there were 46 cases of that description, where either the turncocks were late or not there at all.

1839. Lord *Richard Grosvenor.*] Can you give a limit with regard to the time the engines were kept waiting?—In those cases the time varied from 10 minutes to 30 minutes.

1840. You can specify the longest time, I suppose?—I think we might go to about 40 minutes in a few of those cases.

1841. Mr. *Agar-Ellis.*] At some fires, is it not the case that the engines have never got to work at all in consequence of the deficient supply of water?—Yes, in some of those I have quoted it was so.

1842. Engines that might have been usefully employed if there had been a sufficient supply of water?—Yes, certainly.

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1843. We have got evidence, I think, about the separation of compartments in warehouses; have you paid much attention to that?—Yes.

1844. Do you prefer many compartments, or few; or do you like them large or small?—Small, by all means, and well separated.

1845. We have it in evidence also from one witness, that he would make the sills of the doors higher than the floor on either side, to prevent the liquid flowing from one floor to another; did you ever see that done?—Yes, I have; there would be some good in that; but the space between the floor and the ceiling should be filled up with concrete instead of shavings and rubbish as at present; if that were done, many fires would not be so serious as they are, and could not burn so rapidly.

1846. Did you ever know a suspicious case of fire (anything like incendiarism) in uninsured buildings?—I have known such things, but they are not very frequent.

1847. Lord *Richard Grosvenor.*] I presume you would not be able in that number of untraced fires for the last two years, to give the Committee the number of insured and uninsured houses?—Yes, for last year.

1848. Would it be possible to give the Committee that information?—I have said that out of 589 fires last year there were 480 in insured property.

1849. That is speaking of the "unknowns"?—Yes.

1850. Do you know the dock warehouses pretty well?—Most of them.

1851. Can you speak on the so-called fireproof structures; do you think that they are efficient or not?—I think that many favourable changes might be made; it is very difficult to deal with these so-called fireproof structures; the building itself may be fireproof and the merchandise may be of that inflammable nature that the best description of fireproof buildings could not withstand a serious fire.

1852. But a fireproof warehouse itself is a place where you can have any amount of fire in one compartment and yet it must be impossible to get to another compartment?—There is scarcely a building of that kind in London, though some are very good.

1853. Do you know the East and West India warehouses in Fenchurch-street?—Yes.

1854. Those are some of the best buildings in London, are they not?—Yes, I should say they are.

1855. Taking them as being the best in London could you suggest anything that would make them perfect, if perfection could be obtained?—No, not off hand; they are as nearly fireproof as anything I know of in London. It does not always depend on the buildings, but their contents, generally for the spread of fire.

1856. Now there is no doubt that the supply of water is very unsatisfactory in London, still the pressure varies very much in different parts?—Yes, it does very much so.

1857. In some parts the pressure is good?—Yes, but I would entirely remove that doubt at all times as to pressure, by having a telegraph wire laid from the principal engine station in each district to the pumping station of the water company in that district; at present they keep up a head of water something like 90 feet; the engineer has an indicator, but he has no way of finding out that a large fire is drawing away his water except by seeing the light of it or by a cab being sent to tell him, or that his indicator shows the pressure much reduced; but all that might be got over in the way I have shown. When the foreman of the station is called to a large fire, he at once rings the bell at the engine station of the water company and apprises them of the fact; the engineer then watches his indicator more closely, and then increases his pressure to 120 or 130 feet, so that four or five plugs might be started without one of them suffering in quantity by the others being drawn.

1858. Under the present arrangement, the objection to giving the firemen the keys to the plugs is that they might draw two or three wrong plugs, and so diminish the pressure very materially?—That could not be done if my suggestion were taken; every plug being available and under pressure, there would be no wrong plugs.

1859. Do you know the water supply in Liverpool?—Yes, I do, it is very good; certainly the best I have ever seen.

1860. Have you seen it working?—Yes; it is very much better than in London.

1861. But still even there, looking at the workhouse fire in Liverpool, we see that two or three wrong plugs were drawn, and the pressure was considerably diminished?—Yes, so I believe; but if every main was under a moderate pressure till a fire happened, there could be no drawing the wrong plug.

1862. Where you have high pressure, it requires a certain amount of management, does it not?—If the mains were properly charged there would be no difficulty; the internal fittings should be improved, and then whatever pressure you put on would make no difference. If the water companies say that their mains are not sufficiently good to withstand the pressure, I say, do not put on the extreme pressure until the fire happens; then the plugs being drawn the mains would be much relieved.

1863. But is not that rather worse; might they not have a fire-main for the purpose?—That might be done, too; but this (my suggestion) could be done without great expense; if they aim at some great scheme it may not be done at all, and I cannot see anything to prevent my economical views from being carried out, and great good got from it. That plan of the extra firemain would not give the water much quicker than now.

1864. But still, the whole of the water system in London itself will be changed, and, perhaps, you think it would be as well to bring these points under the notice of the Commission now sitting?—Yes, I can quite see that great good would come of it.

1865. Looking at it in an insurance point of view, do you think that there should be more fire stations around the districts where there are the heavy risks?—I do not think so; I think the Board of Works have had a great deal to do with the Fire Brigade; we are satisfied with what they have done, so far, and if not meddled with, I have no doubt they will do what is right.

1866. You think that the docks and waterside premises are pretty well off for stations and engines?—Yes, I think so; they would be very much helped if the mains were constantly charged; it would be equal to nearly double the force, because two men could do with what after waiting for water takes 200 men to do.

1867. But with regard to the stations, you are pretty

pretty well satisfied with what the Board have done?—I am pretty well satisfied; and with what I know they are going to do, we ought to be satisfied with their arrangements; it is a large undertaking; they are doing it very well so far as they have done.

1868. With respect to the police making an investigation of the causes of fires, it is quite necessary to have it made into every fire, is it not, because otherwise it would be invidious?—Every fire should be inquired into in the way I suggest; the police would obtain information from the Fire Brigade or the Salvage Corps; if they were satisfied that the circumstances were trivial they report it to the coroner, and there is an end to the case, but if the materials were sufficient there should be a searching inquiry.

1869. Suppose in an incendiary fire the police were investigating the cause, the insurance company would, probably, be glad to speak if they thought there was any additional cause for suspicion?—No doubt of it, they would speak what they knew.

1870. All the surrounding circumstances, such as a man moving his goods out, and so on, would be brought before the knowledge of the police?—No doubt, everybody would assist in stopping this system of plunder.

1871. Still there would be a good deal of detective work to be done quietly?—Yes, I should think there would.

1872. That would be sufficiently done by the police, you think?—Yes, I believe so, as the police have already rendered signal service that way.

1873. Have you any reason to suspect that there are gangs or groups who make it their business to make heavy insurances, with a view to burning their houses down?—No doubt, and that is one reason why the police should have it under their care; because in a very short time they would know the whole of them, and the gang would be suppressed.

1874. There is a business in fraudulent insurance?—Yes; they turn up all over the town, and in many cases the same men again and again in different names and businesses.

1875. Mr. *Lusk.*] You say that fires are very much on the increase lately?—Yes.

1876. Do you refer to town only?—Only to London.

1877. You do not know whether they are very much on the increase in the country as well as in town?—I do not know.

1878. Can you assign any cause for the increase of fires in London?—No; only that as we believe incendiarism is very much on the increase, a great many of the fires are caused, either directly or indirectly, by people who are getting their living out of fires.

1879. But have you any definite information on that point, or is it merely suspicion?—I could speak of some cases, where we have seen the same men, in various names, having fires several times, which is almost a conclusive proof that it is so.

1880. Is it in a certain class of tradesmen you see that sort of thing?—They are scarcely any trade; they are anything; they are brokers, hatters, or bootmakers; but even the name or trade would have very little to do with it, they change so often.

1881. There are certain characters known to the police and to you who are very unfortunate in having a great many fires on their premises?—They have a great many fires on their premises; but to them it is fortunate than otherwise if they are not detected and convicted.

1882. Is it the class of goods or the class of people that you are referring to?—I do not think there is any particular business that is visited with fire more than another in which these people have to do.

1883. It is only the same people?—Yes, in many cases.

1884. Do as many fires happen among uninsured as among insured people?—No.

1885. Are there any particular districts in which there are more fires than in others?—The fires happen more in the eastern end of town than almost all other parts put together.

1886. There are more fires in number in the east than in the west?—By far, more than double.

1887. Is there a fair proportion of doubtful fires in the east?—More than a fair proportion.

1888. More than in the west?—Far more.

1889. Do those fires occur among a respectable class of people?—No, generally not.

1890. They are not, as a rule, a respectable class who have fires?—Not as a rule; it is the exception rather than the rule.

1891. Do you think that the agents of the insurance companies do their duty in taking the risks of those persons?—I think that some of those people might be more particular in that way.

1892. But if a certain class of men are notorious for having fires, the insurance companies ought to be very guarded in taking risks, ought they not?—Yes, they should be more guarded than they are; but there is so much competition that they are not so particular as they might be, some of them who have not had much experience.

1893. That holds out a premium or temptation for people to set fire to their places, does it not?—In some cases it does act that way, though not intended by the offices generally that it should.

1894. Do you think that the insurance companies do their duty in that respect?—I think the majority of them are very particular, but there are some who are not so particular.

1895. Do you see a number of them breaking down?—Some of them are not doing well.

1896. But do you see them in the public prints as wound up?—Yes.

1897. Do you suppose that is because of their irregular mode of doing business?—Yes; if they were more particular in the risks they took and had premiums equal to the risks they would do better.

1898. If they are so reckless, it would be very difficult for you or for Parliament to stop those fires, would it not?—I think that if an investigation took place into the cause of every suspicious fire, the evil would very soon be remedied.

1899. Do you see much loss of property from fire?—Yes.

1900. On whom does that loss fall as a rule?—The greater part of the loss falls on the insurance companies.

1901. You say that the water supply of London is not so good as it ought to be?—Yes; the mains ought to be constantly charged, and there should be no waiting for turncocks.

1902. At whose expense would that be?—There would not be much expense after the first outlay in getting the pipes into proper order.

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1903. Why do not the water companies have a constant supply of water in London?—We are told that the internal fittings are not in order.

1904. Do you think if there were a constant supply of water there would be a great loss?—No, not if they were to keep their mains in order, and fittings for domestic purposes were well looked to.

1905. But if they did not, how then?—There should be an Act of Parliament to make them do it; anything would be better than seeing valuable property destroyed, and no water available.

1906. We ought not to make the water companies pay to save the insurance companies, ought we?—If a small rate was added to the present rate it would overcome that difficulty, I think, and be a public benefit.

1907. Are there many instances where there is a great deficiency of water, within your knowledge?—Yes, a great many; especially in the waterside districts.

1908. With reference to what you said about the tide, I have noticed that all the large fires in that neighbourhood take a couple of days to put out, during which the tide would of course be in?—Yes, but it might take weeks to stop a fire if it had been going ahead without being stopped in its infancy for the want of water.

1909. But the river side is never empty of water, is it?—No, but where the tide is out it is very difficult to get at the water.

1910. That is from the hose not being long enough?—No, I think not; the hose is long enough; it could be made any length.

1911. Then there is plenty of water?—But you have not sufficient engine power, you have only two floats; a great deal of their power would be diminished in having so many lengths of hose leading up to some high place, where a great deal of the power is taken off by the resistance and weight of water.

1912. Lord *Richard Grosvenor.*] But in some places on the river the hose that was out would be more than an eighth of a mile long?—I have known it a quarter of a mile; in nearly all those cases the tide has been out, or there has been little or no water in the mains, or no water accessible, in consequence of the turncock's late arrival.

1913. And the muddy banks become difficult when the tide is out?—It is very difficult to grapple through many feet of mud to land the hose.

1914. Mr. *Lusk.*] Do fires occur in a large proportion in connection with those dangerous materials, petroleum and turpentine, or chiefly in other places?—It has transpired as to many fires that had not been supposed to originate from any of those things, that some of those goods were stored in places where they were not supposed to be (on the premises destroyed), and therefore we are led to believe they had something to do with it.

1915. But have many of those large fires occurred where those dangerous materials, petroleum and turpentine were stored?—We have not much knowledge of that, because all traces of the cause have been swept away, at large fires.

1916. There was one fire in the St. Katherine's Docks some time ago, were any of those things stored there?—We have never ascertained that; we have no right to think there is so much reckless storage in the docks as in other places.

1917. Then there was the fire at Tooley-street?—I think that the cause of that was never ascertained.

1918. And there was the fire at West Kent wharf?—I do not think that was ever ascertained either.

1919. As a rule those dangerous things are stored in places by themselves, are they not; do you recollect anything of the kind happening to anything else, except with jute?—I do not think it is generally admitted that it has been the cause of fire, but we ourselves have doubted whether it has not been so, after having ascertaining that Hayadon's goods had been therein.

1920. Are there many of those oil shops that take fire?—Many of them.

1921. Are there more fires in oil shops than in drapers' shops?—About the same; it would be about the same risk; the reasons of drapers' shops being burnt is from the bad and indifferent mode of lighting, in most cases.

1922. You consider that a draper's shop is as dangerous a place as where they sell petroleum?—Quite as much so where bad lighting is tolerated. I think it is possible that a draper's shop may be lighted up so satisfactorily that a man might go many years without a fire at all, or never have one.

1923. But as a matter of fact the one trade is as dangerous as the other?—About the same, if sufficient care is not adopted.

1924. Do you save much property as a corps?—We have done so.

1925. You are employed by the insurance companies?—Yes.

1926. Does what you save pay them?—Yes; I believe they are quite satisfied.

1927. Do you know something about average of insurance?—Yes, a little.

1928. Suppose an insurance company takes a policy on a man's shop with 2,000 *l.* worth of property in it, but the man insures only 1,000 *l.*, and he has a fire and gets 1,000 *l.* destroyed, how much does the insurance company pay on that?—If he was insured for 1,000 *l.* they would pay him that sum, if he could satisfactorily prove he had lost it.

1929. But is that the right thing to do?—I think so, for the man is aware of that when the policy is effected; he knows the position in which he stands with his company.

1930. The insurance company knowing that he has got 2,000 *l.* worth of property in his shop and pays premium only on 1,000 *l.*?—I think that is his own look out; he should insure more largely.

1931. But is it just for a man to be his own insurer for 1,000 *l.* while for the other 1,000 *l.* he receives payment from the office?—If a man knows that he has 2,000 *l.* worth of stock in the place he should insure for that amount; many men insure under the value for the purpose of saving the duty.

1932. But suppose he does not; suppose a man has got 2,000 *l.* worth of stock in his shop, and he insures for 1,000 *l.*; if a fire destroys 1,000 *l.* worth of stock, does he ever tell the insurers to take the whole of the stock and give him the money?—No, I think not. A great deal of that has happened with what is called the average clause; but I think each side knows quite well the bargain which it is making when the policy is effected.

1933. But do not the insurance companies effect

effect their insurances without the average clause?—They do so at times..

1934. That is another inducement to a man to get quit of old stock, and so on, by carelessness in insuring?—No doubt it operates that way with dishonest persons, but no man would purposely have a fire if he stood to be a great loser by it.

1935. About the investigation which you propose into the causes of fires; you would have an investigation take place in every case where a fire occurs?—Yes, the police should make an inquiry at first, and if it were of sufficient importance it should be handed over to the coroner or magistrate.

1936. But who is to be the judge of that?—The Fire Brigade, or the Salvage Corps could always determine which was a proper case for investigation.

1937. Does it do for a police officer or the head of the Salvage Corps to say what is right or wrong in law?—No, they could only describe the circumstances to those in authority.

1938. But who is to be the judge whether the case is to be taken before a court of law?—The principal of the police should report the circumstances to the coroner, and he could give instructions as to what should be done.

1939. But what has the coroner to do with the police?—At present he has nothing to do with them; but if a change was made in the law that could be arranged.

1940. Has the coroner any police officer under him?—The police would do what was wanted in that case as they do now at times.

1941. Has the coroner got any court to take the case to?—I do not know that he has at present.

1942. But would it not be more natural for the police to go to the magistrate?—Either would answer the purpose; which court the case is taken to does not matter, so long as an inquiry can be had when necessary.

1943. Who prosecutes in the case of a chimney on fire?—That is done at the police court by the Board of Works.

1944. In every case?—Yes, I think so.

1945. Does not that system answer very well?—That has been done for many years. People have been compelled to pay fines only now, instead of allowing the men to have the money on the spot; they take them all before the magistrate now, which I think is not always desirable.

1946. But if it is necessary in the case of a chimney on fire to take a man before the magistrate, is it not twice as necessary to do so where a serious fire occurs?—I do not think so in all cases; if the police and other authrities were satisfied with all the circumstances of the fire it should be considered an accident and end there.

1947. You would make the policeman the judge again?—I do not think that a policeman should have the power of judging; he should report the circumstances to those in authority.

1948. *Chairman.*] The question is, whether the police magistrate would not be as good a person to investigate those cases as the coroner?—Yes, quite as good; I cannot see any objection to either doing it.

1949. You think that the police magistrate would be quite as good?—Yes, certainly.

1950. Mr. *Lusk.*] But, unless you make the magistrate the judge, who is to put the law in motion; how is it with the present Metropolitan Fire Brigade; is that satisfactorily worked?—Yes, I think so; I believe they are doing very well.

1951. Is not the police magistrate the natural person to go to?—I should say so.

1952. There is a court always ready the next morning?—I suggested the other course because I do not think it would be wise to take a case hurriedly before a magistrate.

1953. Do you know that the magistrate would remand the case for a week or 10 days if necessary?—Yes, it could be done in that way, I see no objection.

1954. Has the coroner any means of carrying on an investigation without a jury?—No; but he should have the power of determining whether it should go to a jury or not.

1955. Mr. *Tite.*] The question is, who is to put the law in motion, and who is to pay the expenses; if I have a fire in my house, being a man of unimpeachable character, and insuring for many years with respectable offices, do you mean to say there should be an inquiry into my fire just because there should be an inquiry into every case?—No, I think not into every case; as I have said before, fires like your own would not need inquiry, in most cases.

1956. Who is to determine that?—Only those who are on the spot when the fire happens.

1957. Who are they?—Either the brigade or the police.

1958. But why not the insurance office; for instance, why should you not state your doubts, if any, to the insurance company?—I could do it, and should be glad to do so.

1959. The police cannot move without information, can they?—I mean that either the Salvage Corps or the Fire Brigade should give the police information, and they move on with the rest of the machinery.

1960. Why not move on yourself?—We have no power at present but to do what has been done for many years.

1961. You can bring a man before the magistrate on suspicion, but the question is who is to pay for that; do you think it reasonable that the public should pay?—I think it should be paid for from the same rates as the Fire Brigade is paid from now.

1962. Do you think that a rate for the protection of insurance companies can be carried out over the metropolis?—I do not think that that is a rate for the protection of insurance companies, because it would protect every one whether insured or not.

1963. How many fires are there in the year?—There were over 1,500 in last year.

1964. You do not want an inquiry in every case, do you; but you do not see the exact machinery by which the choice is to be made?—I think that the police should do it, because they are quite disinterested. It is not a question for the insurance companies always, but is a public necessity.

1965. But do you imagine that the police can act of their own motion; a man is not taken up by a policeman without some charge; who should charge him?—They must have the power to do that, if the circumstances are sufficiently bad.

1966. With regard to the alleged want of water, have you experimentally known any case where water has been wanting?—Yes, very many times.

1967. Take the waterside, where they have large floating engines moved by steam, do you know how many there are of them at this moment?—Two of them.

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1968. Do you know that arrangements are made for two more engines, very much larger and with much greater power?—Yes, I believe so.

1969. That would in some sense remedy what you complain of, would it not?—Not quite, because if the mains were emptied for repair, or want of pressure, and the fire brigade authorities had no notice, the floats might be sent to a neighbourhood where there was no water but by climbing through the mud, as I have previously described, with water from the float.

1970. They could not get up the river without water; take the river side only, if those floating engines are provided to the extent now intended under Captain Shaw, that would diminish to a great extent that of which you complain with regard to the waterside?—Yes, it would; but if the mains were charged it would very often happen that the fire could be extinguished with the land force without taking the floating engines a long way from their proper berth, by which they might lose the chance of a serious fire at the other end of the town.

1971. But are the mains not charged?—Very often not.

1972. But they are turned on immediately you get hold of the turncocks?—We have waited half-an-hour for the turncock sometimes, and during that time a great sacrifice of property is the result.

1973. When the turncock is found, he turns the water on directly; is there anything to hinder that?—No; but I propose that the mains should be filled, without waiting; I should like to employ hydrants; but to save expense, we should be satisfied with the plugs, giving the police the power to start them.

1974. Having the whole of the mains always charged?—Yes, certainly.

1975. How often has this delay about the turncock happened?—It happened in 46 cases within six months last year, many of them involving a great loss of property.

1976. Were they admitted cases of delay?—No doubt of it.

1977. Who reported them?—The Fire Brigade authorities, I should say.

1978. You do not know?—I do know it.

1979. With regard to the average clause, do you know that the French refuse to issue policies of insurance against fire without the average clause?—I do not know very much about that.

1980. You know that the average clause is always admitted in ship insurances?—I believe so, but I am not prepared to speak much about it.

1981. Why should not it be admitted in the case of property on shore?—I know it is at times.

1982. But why not in all cases, or in such a case as that put to you by the honourable Member for Finsbury?—I am not prepared to speak upon that subject fully, I know more about fires.

1983. You know the working of the average clause of course?—Yes.

1984. Can you see any reason why it should not be made universally applicable?—No, I do not; but it is not quite my business.

1985. Mr. *Turner.*] Upon policies which are not specific the average clause applies, does it not?—I think so, unless an agreement is made at the time that the policy is effected to the contrary.

1986. In Liverpool, where the policies run all over the town, my belief is that the average clause always applies?—I believe so, but it is not always the case with shops and houses.

1987. The reason why that does not apply in specific policies is, that if it did apply in specific policies, and if a man was allowed to insure for 1,000*l.* when his property was only worth 200*l.*, it would be putting great temptation in his way to commit a fraud?—I think that is not usually the case, because where an amount is offered the place is surveyed, and in many cases the office would decline taking a risk of 1,000*l.* where the property was only worth 200*l.*; they would decline the insurance altogether.

1988. But you know that many policies are taken upon the character of the parties without the premises being visited at all?—Yes, that is so at times.

1989. Do you not think that if a man was allowed to insure for 1,000*l.* when his property was only worth 200*l.*, it would be a temptation to that man to burn his place down?—As a rule that is not done. In the majority of cases a man offering an insurance on his property, his property would be surveyed before the insuranee was effected.

1990. Mr. *Beach.*] Do you find many fires originate from the use of lucifer matches?—There are a good many, no doubt.

1991. Would it, in your opinion, be a good plan to put a duty on them?—It would be a very good thing to stop the flagrant use of lucifer matches in any way.

1992. What supply of water, or how many gallons per minute, would you consider effectual for an engine?—That is very difficult to tell. The size of the engines vary very much and therefore what is sufficient for one is not for another. The circumstances are so various that you may have a thousand fires, and not two of them in which the circumstances are the same in every particular.

1993. Mr. *Kinnaird.*] Have you any suggestion to make with regard to the possibility of saving human life in fires?—One of the best modes to saving human life in fires is to have a good supply of water; many lives have been lost in consequence of the want of a quick supply of water.

1994. Your answer would be, that all the methods that would tend to stop fires would tend to save human life?—Yes, in a great measure.

1995. *Chairman.*] Is there any suggestion that you could make to the Committee with regard to any contrivance for large lodging-houses for the protection of life from fire?—I have seen outside galleries round houses, in the west end, which are very good, but I am very doubtful whether that would be tolerated in the east of London; it would open a field for theft and all kinds of irregularities.

1996. I suppose you have often come in contact with the Fire Escape Association?—Yes, very often.

1997. That is of very great use in saving life, no doubt?—Very; only there should be double the number of escapes, and every escape should have two or three men instead of one as at present.

1998. Mr. *Agar Ellis.*] You said you thought that the police constable on duty should open the plug and turn the water on; do you think anything different from what is the case now is required to show where the plugs are?—I have stated

stated that I think that the keys might be kept in small boxes like those now used for post boxes, and the lamp to which they are attached might have a part or all of its glass red, so that it could be seen from a distance.

1999. Lord *Richard Grosvenor.*] But the difficulty is not in finding the plug, but in finding the water, is it not?—Just so; when you have found the plug it has often happened no water is under pressure in the main.

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2000. *Chairman.*] Is there anything you wish to add to your evidence?—I think not.

Mr. Lewis Becker, called in; and Examined.

2001. *Chairman.*] In what capacity do you appear before this Committee?—I am Fire Superintendent of the Western Insurance Company.

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2002. Have you any statistics to offer with regard to the increase of fires of late years?—Only the Annual Reports of the Fire Brigade. Fires have been on the increase very extensively, and they have been most destructive.

2003. Do you think that the supply of water in London is sufficient just now?—For the most part I think it is sufficient, and efficient too; the difficulty exists in the Fire Brigade knowing where to find it.

2004. It is no fault of the water companies?—No, certainly not.

2005. Then, with regard to the telegraphic system in the Fire Brigade just now, could you suggest any improvement in that?—The telegraphic system at this time gives an alarm for a fire that might not be serious; as it goes through each station it increases; and at last, when it gets to the chief station, it has become a very great fire. In Leicester-square a chimney was on fire, and all the steamers in London turned out, besides many manuals.

2006. What do you suggest as a remedy?—A central station, whereby they might know all the other engines which are out at fires; but at present the firemen do not know what has occurred in the north, south, east, or west.

2007. You consider that the Fire Brigade system is too much centralised at present?—Yes; and it is too much left in the hands of ignorant firemen, who exercise their own discretion whether to turn out or not, which is a mistake; they may go with their own steamers and alarm all the others; they know only their own districts.

2008. How would you correct that evil?—By appointing a telegraph engineer; a proper man, who would be in the central telegraph station, and who would know all that is going on. If a fire occurred in Holborn, and if there was a central station, he would give the proper notice to the other stations for their guidance, and of the exact nature of the fire; instead of the news going on to other stations and accumulating, he would direct to turn out the engines as he thought proper; he would be the responsible officer of the district; he should be a good fireman and electrician; but all information has now to go to Watling-street, and there is indiscriminate running all over London about a small affair.

2009. Would you be inclined to increase the number of engine stations?—Yes, certainly; I would distribute them more.

2010. Would you have more hand-engines?—Yes, I would have more hand-engines, and I would introduce hose-reels to take advantage of the superior water supply. In Pimlico and Chelsea you do not require a steamer at all. I have frequently taken steamers over there, and found that the hydrants would throw as much as my steamers.

2011. Where are the hose-reels in use?—In America, and most of the cities of the Continent.

2012. Have you seen them on the Continent?—No; but we have hose-reels manufactured in London by Shand, Mason & Co; it is a coil of hose 1,000 feet long, on a reel, with the necessary appliances, and weighs about a hundred weight, or a hundred weight and a-half; a man runs along with it, and can immediately attach it to a stand pipe. If a fire was to occur in Pimlico, they could efficiently use it.

2013. You think that a fire is allowed to take too great a hold before an engine is brought there, on account of the inefficient telegraph system?—Yes, and in consequence of the want of stations.

2014. While they are getting forward a steam fire-engine, a hand-engine might put out the fire?—Yes. It is a forlorn hope when it is necessary to work a steamer at a fire.

2015. You would require for your plan some division of the metropolitan fire districts?—Yes.

2016. How many would you recommend?—I would recommend five divisions, in equal proportions, with regard to the amount of property at risk.

2017. Of course you would have engine stations at all the districts?—Yes, I would have a central engine station in every district.

2018. Who would have the command of all those different stations?—There should be a fire commissioner appointed for the insurance companies' interest; one for the parochial authorities' interest; one for the uninsured interest; and one also for the Government interest; at present the Government buildings pay a large proportion of the fire rate, and receive no protection. I do not suppose the Houses of Parliament have any protection against fire for the contribution that they are now paying.

2019. You would think it an advantage that the insurance companies should be consulted with regard to the placing the engine stations in the different parts of London?—Yes, they have a right to be consulted, but not to have the sway.

2020. With regard to the constitution of the Fire Brigade, do you consider it efficient now?—Anything else than efficient.

2021. Of whom is it composed?—Sailors, principally.

2022. You think that sailors are not the best men then?—They are about the worst class of men you could get.

2023. How is that?—Because they have no knowledge of buildings. In Glasgow, Manchester, and Liverpool, they do not employ sailors, and their fire systems are looked upon as perfect.

2024. Whom do they employ?—I attended three fires at Glasgow and Manchester, where I was struck with the extraordinary manner in which they went to work with masons, carpenters, slaters, and warehousemen, who would know

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where to find out the most valuable goods; they rushed into the place and covered them up, while the carpenters riped up the flooring, and the slaters made holes in the roof where necessary.

2025. Do you suppose that there is a considerable destruction of property in putting out a fire as much as the fire itself causes, in fact?—Yes, generally from the reckless manner in which they go to work.

2026. You think that with artisans instead of sailors there would be less destruction of property?—Yes, certainly.

2027. If steam engines are brought into play, you think they destroy a great part of the property?—Enormously so. Our experience is that we pay as much for destruction by water as we do by fire, because the clause under the policy for loss or damage by fire includes the incidental loss by water.

2028. Have you had any practical experience in extinguishing fires yourself?—Yes, for nearly five years I was chief officer of a Fire Brigade in London.

2029. Did you find any jealousy between the police force and the Fire Brigade?— None, then.

2030. Is there now?—There is a lassitude of feeling to assist the Fire Brigade now, because they have done away with the rewards formerly given by the fire insurance companies for the discovery of fires; a policeman used to receive so much for discovering a fire, and so much for holding the door; that is to say, to prevent persons unaccustomed to fires from entering the premises, and also stealing property, and to prevent loss of life; but the Metropolitan Board of Works did away with those rewards.

2031. What is the reason for that?—I do not know. The result is that the premises are left to burn before the policeman will sometimes go away to give notice.

2032. Is it not the duty of the policeman to give give notice of a fire?—Sir Richard Mayne, I believe, has given notice that it is not the duty of a policeman to leave the street unprotected to give information for any private individual, and at that time the insurance offices Brigade were considered a private establishment. I have had occasion to ask a policeman, "Why do you not go for the engine?" and he has replied, "My duty is to attend the house, and not to fetch the engine." There is no provision made for immediately alarming the engine stations.

2033. What do you suggest in that case?—Either to increase the rewards, or else provide a telegraph system in the streets, whereby a policeman could give alarm to the fire station without leaving his beat.

2034. Similar to what they have in America?—Yes, similar to what they have in America; but I think that mine is more simple. The wires that now run over the roofs of houses are useless except in giving fire alarms from one fire station to another. I propose to convert them into street alarms for fire purposes.

2035. Do you think that the system of calling the turncocks to a fire works well?— No, the turncocks are not of much use to the Fire Brigade; we often turn the water on without their assistance: often, especially after 10 o'clock at night, they are not sober. In Lambeth we had some very drunken turncocks, and we seldom could get the water turned on on our arrival.

2036. Who found them out?—The Fire Brigade used to pay them, but Mr. Henderson refused to pay them if they were not there when water was required; then there was a little improvement, but it fell back again afterwards.

2037. You suggest that the firemen themselves should act as turncocks?—Yes; they could turn the water on if they knew where to find it; the difficulty is to find out when the notices are taken down, or when a tree is growing in front.

2038. Have you always found that there is plenty of water in the pipes?—In many places we have found a difficulty in keeping the water down; more water runs down the sewers in London than will ever be thrown on the fires by all the steamers in London. I mean that there is so much waste.

2039. But is that water always on?— Very nearly. Take Lambeth Walk, that is a by-street; there is a fire main running up the main road; it is only half on; but if it were full on, it would deluge half the premises.

2040. We have heard in evidence of fires occurring when no water was on?—That might be so in Bermondsey or Rotherhithe, where the warehouses and wharves have grown out of proportion, but in Pimlico and all the west end a supply of pipes is put down that will last for the next 20 years; they can throw 80 feet high, and over the highest house in Belgravia. The difficulty is being able to pitch on the plug that will give you that supply; if the turncock is not present, then the house is partially if not wholly destroyed.

2041. You know, I suppose, "The Waterworks Clauses Act, 1847," in which there is a clause by which every water company is bound to supply water at a certain pressure?—Yes, to reach the highest building in the district.

2042. But do not the water companies get their Bills passed sometimes without having this clause inserted?—I am not aware of any company that has done that lately. There is the Water Companies' Consolidation Act, which empowers a person to fine the water company for every case in which their plugs are tested and found insufficient, but there is no officer appointed to make such test. When it is found that that is a failure, the outcry comes.

2043. Do you know anything about the Society for the Protection of Life from Fire?—Yes.

2044. Do you think that the society discharges its duty efficiently?—Most efficiently.

2045. Are you aware whether they are about to make a change in the management?—I am aware that there was a change proposed, but not carried out.

2046. Do you think that the change would be good for the community?—It would depend on what hands it was placed in; certainly not in the hands of the Board of Works.

2047. Why?—Because the service is a public service. I consider that the Society for the Protection of Life from Fire is as much a public service as the police. No Board of Works or any other body, except such a public body as the police force, could carry out that duty so well as the Society for the Protection of Life from Fire; they are most efficient.

2048. Do you think that the members of the society do not wish it?—I think not the members of the society themselves, but the pressure is put on them by the fire-rate; you pay your guinea or two guineas, not so much for yourself as for the

the protection of the poorer classes about Whitechapel, and elsewhere, where the tenements contain 40 or 50 people.

2049. You are of opinion that it should be no longer a voluntary society, but paid for from rates under the same management as yourselves?—Yes, I am of opinion that it should be a distinct service from the Fire Brigade, and that it should be paid for out of the public rates.

2050. Is there anything that you could suggest with regard to the protection of life from fire?—Nothing, except the increase of the stations; they have endeavoured as much as possible to make their stations at equal distances, where they would have only to run a quarter of a mile to get to a fire; we find that the men are ready, but they do not get an early call. It takes a very willing man to fetch an engine on a wet night, or even to lose the excitement of a fire.

2051. But it is of greater importance that the occurrence of a fire should be made known to the fire-escape men than to the fire-engine stations, is it not?—Yes.

2052. Life, of course, is more valuable than property?—Yes.

2053. The fire escape is always called first, I suppose?—No; there is a feeling between the Fire Brigade and the fire-escape people as to who shall have the first call. There is a case that occurred this morning in Bermondsey-street, right opposite the police station, the inspector heard the crackling of the wood and glass, and found that the opposite house was on fire; the man is burnt to death. I called there and ascertained that the escape man was first on the spot; he was called by the police, but had the escape been next door, the fire could not have been discovered before the man was dead; the escape was there before the engine; the Tooley-street station and the Bermondsey fire-escape station are within 10 yards equidistant, and both were early on the spot.

2054. Can you suggest to the Committee any means to prevent the increase of fires?—Only by distributing the stations. At the present time the insurance companies are fortunate in having light reports; but the suburban fires are very destructive; it matters but little to an insurance company whether they lose 2,000 *l.* in a warehouse in Tooley-street, or whether they lose it in Notting-hill.

2055. According to the last report of the Metropolitan Fire Brigade, it is stated that there were 589 fires, the causes of which were unknown last year; is there anything which you could suggest by which we could arrive at the causes?—I do not think that the Fire Brigade take the slightest trouble to make an inquiry with regard to the causes of fires, unless they see the thing before their eyes; there should be a public officer for the purpose.

2056. But how would you initiate the inquiry?—I should simply allow the insurance company to attend first with the appointed officer to investigate the cause of the fire, and if any doubt existed with regard to chemistry or law, he should be assisted by a professor of chemistry or a well-known solicitor, and there should be a law to compel the insurance companies to prosecute.

2057. You would make them public prosecutors?—Yes; they are very loth to prosecute, though they well know they are paying a case of fraud; still there is not that assistance given them by the law of the land to convict a man.

2058. But do you think that even though they had the power given them by law they would prosecute?—Many companies would not, but I would compel them to do it.

2059. Do you think that that would be a proper law to pass?—I cannot see that any private interest should interfere with a public prosecution, and arson is a very great crime.

2060. Then why not have a public prosecutor?—The companies are the persons most interested, and they would be most likely to give the necessary evidence.

2061. But in the case of uninsured property how would you act?—I would leave that to a public prosecutor.

2062. Then you would have two public prosecutors?—Yes, certainly. I have applied to Captain Shaw to obtain evidence in cases of arson, and he would not allow his men to give the evidence.

2063. You applied as a private individual, I suppose?—As an insurance company. On Wednesday next, I have the case of a man who has had seven fires. If I go to Watling-street and ask for evidence, and they say it is no business of theirs, the man may get off. That is the case of an insurance company who are anxious to prosecute and cannot do it; we are desirous to stop these fires, but of course our expenses would come to a great deal more than the insurance.

2064. On what ground did Captain Shaw refuse to allow those men to give evidence?—On the ground that the Fire Brigade were public servants and not the servants of private interests. Our solicitor told him that arson was a crime, and he ought to give full information.

2065. What was his reply?—Simply, that we should write to the Board of Works and ask for information; but many of our letters are delayed at the Board of Works unanswered. I asked him to let two of his own men, who attended the fire, come and give evidence, and he refused. We applied to a magistrate, and summoned the men; you can get a policeman without summoning him, and why not a fireman? It is not for our own private interest that we prosecute.

2066. Mr. *Kinnaird.*] You think that is one of the causes which prevents insurance offices prosecuting?—Yes, certainly. If a man gets hold of a young company, he says, "It is worth your while to pay me, and if you do not pay me I shall sue you;" if you have only little evidence you abandon the case; your solicitor advises you to pay.

2067. *Chairman.*] Surely it is very easy to get the presence of those men, by sending them a summons?—Yes, but in the meantime, when you want them at once, all this red-tape routine will lose your case; besides, an unwilling witness is the worst witness you can have. If the Fire Brigade is not willing to come and put a stop to arson, you are better without them.

2068. Mr. *Agar-Ellis.*] Would you propose to have one central station, or to have one for each district?—One for each district.

2069. I understood you to complain of the method of telegraphing; I think you said it would be better if the superintendent was an engineer, and gave orders and judged for himself if the fire was to be telegraphed on to the other stations and whether the engines were to go or not?—Yes; if Captain Shaw is out in Watling-street any one of the engineers who happens to go to the

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the telegraph, reports to the officer on duty, and he exercises his own discretion.

2070. But I thought you said "any engineer;" you mean the engineer who is in command at the moment?—Yes; I do not mean the engineer of the telegraph, but the engineer of the station; there is no man told off for that telegraph duty; at present, if I were to hear the telegraph bell ring, I should jump up and answer it, or perhaps you would do so.

2071. You do not mean to say that the one jumping up and answering it would give the order?—No, I should give the word to the officer on duty.

2072. That is to say, the man in command gives the order?—Yes.

2073. You object to sailors as firemen; but are they not habitually smart, active men?—It is not smartness or activity, but it is knowledge that is required to make a good fireman. I find some of them very slovenly.

2074. But it is a belief among landsmen that sailors are smart, active men?—Some of them are; but the class I come across are not wholly so.

2075. But would it not be possible to take young sailors and train them into good firemen?—Certainly not; we find that the oldest firemen in the brigade are the best, and they were never sailors. You might after 10 years make a good fireman of a sailor, but the public would have to pay for his experience; you would never make so good a fireman out of a sailor as you would out of an artisan.

2076. You said that you considered it a forlorn hope for a fire when you had to use a steamer?—Yes, with regard to saving valuable property.

2077. You never saw a steamer used so as to prevent a great loss of property?—Very seldom; the premises have either been burnt out or washed out afterwards. It is not the use of the steamers so much as the abuse. You can now get water cheaply, and throw it in at a cost of 2*s.* 6*d.* an hour; but if you had to pay 24*s.* an hour, as you used to do, then it would be a question of pounds, shillings, and pence. Ten years ago there was far less destroyed by water than there is now, and the establishment cost less money. The steamers break down; you must calculate that in the saving between steamers and manual power. Manual engines never break down.

2078. The steamers have not saved more property than manual engines, you think?—To the insurance companies they have lost more. We had very recently a case in Pimlico (Lord Grosvenor was there early); the place was partially destroyed before the steamers threw a drop of water on it, though within half a mile of Horseferry-road station. No special report was made of that, and when the steamers did get to work, the premises were totally destroyed.

2079. Is it your belief that steamers are useless?—In the manner in which they are used at the present time, I certainly think they are useless.

2080. You have had experience of fires for five years?—Yes, for more; I have been connected with fires 16 years; but I have commanded a brigade for some years.

2081. What brigade was that?—Mr. Hodges's Fire Brigade; the first that introduced steam in London.

2082. You do not think much of the efficiency of the present Fire Brigade?—I do not think that the principle is right; it is the old principle of 1832; it wants modernising.

2083. Did it ever happen to you, when you were in Hodges's Fire Brigade, to have any differences with the London Brigade?—Individually there was an amount of jealousy.

2084. You did not get on very well?—Yes, very well; it was an advantage to the public that we did not agree.

2085. But you did not get on well, with regard to the Fire Brigade, I mean?—We never had any difference of opinion with the men.

2086. I thought you said there was?—Individually.

2087. But you were in command of Hodges's Brigade?—Yes.

2088. And if the head officer of a brigade has a difference of opinion, it comes to a difference of opinion between the two brigades, does it not?—No; our men did their duty without such commands; the London Brigade was then only a private institution, and so were we; many fires were then put out which, under the present monopoly, are not now put out.

2089. You have still some differences with the Fire Brigade, perhaps?—Yes, with some special few; and so would any other person who did not choose to give way to what they chose to say.

2090. Lord *Richard Grosvenor.*] The engineer of a station, if he is called to a fire, cannot use his own discretion, can he?—Yes; Mr. Girard, at Chandos Station, can do so; it must be left to him, and more particularly to the foremen of the stations.

2091. But the foremen are the chiefs of the districts, are they not?—Yes; but when they are out in the morning who is in charge?

2092. The engineer in charge of the station is in charge, is he not?—Yes; he orders what should be done.

2093. But if a fire happens in a district, the engineers in the district have no choice with regard to turning out, have they?—Except under orders from their foremen. Suppose a fire occurs at Camden Town, a call would be sent to Farringdon-street through other stations; suppose the foreman is out, the engineer takes the duty of the station, and it is in his power to turn out or not.

2094. But what does he do, in fact?—He uses his own judgment.

2095. He goes if he is telegraphed for?—Yes; if it says "serious" he would go. If the telegraph says "Called from Holborn—serious—steamer gone," the engine from the foreman's station would of course turn out.

2096. But he calls his own engines in his own district to the fire?—Yes; but in that case he would not call Whitecross-street, or the engines at the extreme ends of his district.

2097. How do you know all this?—By visiting the stations and studying fire matters. I have seen many very curious messages sent through the stations—anything else but for fire purposes. Horseferry-road would receive a call for a fire if a boy sometimes says that he saw smoke or heard screams. Horseferry-road sends out a steamer, and reports it to Chandos-street; they turn out, but it may be only a chimney on fire after all.

2098. But they must turn out?—No, not unless they are called on by Horseferry-road. Mr. Girard might say, "Wait for a second call." Where information is forced to be sent through half

half a dozen stations, it is a bad way of doing business, I think.

2099. But is it not the only way?—Yes, at present. I think you ought to be able to telegraph direct to the central station from any of the suburban stations. If Holborn were sending a message to King-street, they have only one telegraph in the station, and they can only receive one message at the same time.

2100. What more would you suggest?—That is the fallacy of the present telegraph system at the fire stations; they might have a telegraph which would take four or five messages at the same time.

2101. Do you think that is needed?—Yes, certainly. New York has the most complete apparatus, while we have none at all.

2102. You seem to ignore the existing system as utterly useless?—I do not consider the Universal system, or Siemens' system, worth anything: they spell the word "Fire;" what is the use of that, when a code would do it in a second? If the Board of Works would inquire into the systems that are most complete for fire purposes, they would then find that the system which they use is very expensive, and quite useless; I have offered to lay before them the whole of the systems, on public grounds. I think Siemen's system is very good, so far as it goes; but not if there is the slightest accident; we have been 24 hours without telegraphing between two stations.

2103. That liability holds with all systems of telegraphing, does it not?—I think not.

2104. You say that the Fire Brigade do not know where to find the plugs?—Just so.

2105. We have heard from several witnesses that there is great difficulty in finding water, but not in finding the plugs?—I think not; if you try a plug on the service main instead of going to the fire main, then of course you complain that there is no water, but when the turncock comes, he finds plenty of water; it is his business to shut them all down; in the old time he got 5*s.* reward, whereas he only gets 2*s.* 6*d.* now, and very often he does not find the water quicker than he can help. I heard of one man who actually changed his stockings before he turned out to a fire to which he was called.

2106 You think that the great want is in finding the plugs?—Yes; the great drawback is on the part of the firemen not being able to find them.

2107. You say that the police will not fetch the engines?—That is not their business; a policeman is more usefully employed in watching the house; he can summon the next policeman, or send any passer-by; that was his duty during the old days; I have had many calls from policemen.

2108. Was that the first policeman that discovered the fire?—Yes.

2109. Do you think that that was a better system?—It was the reward that did it.

2110. He got more by stopping at the house, did he not?—No; he got a guinea for discovering the fire, and a further reward for holding the door; he could depute the other duty, of calling the engines, to anyone who might choose to go.

2111. What does he do now?—I had a case in Southwark lately; I asked a policeman, "What did you do?" He said, "I sprang my rattle." "Did you go for the engines?" He said, "No, it was not my business." There were ten minutes lost, and in the first three minutes he could have been in the engine station. We are more dependent on the voluntary exertions of strangers than the policemen; but there is no law to compel a man to do this, and there is no inducement whatever for him to come forward, as he only gets one shilling reward; in a hot summer's night it is no joke to run a mile for an engine. If a gentleman's house is on fire at Clapham Common, a policeman must take a cab, but there are no cabs there after one o'clock in the morning, and the engines are half way on the road, "called by the light," by the time he gets half way to the station.

2112. With regard to any inquiry into the causes of fires, you say there is now none?—Except by the companies; the Brigade make slight inquiries, but I call that asking questions only for the six o'clock morning report.

2113. You know that there is nothing more done than that?—Just so. If the firemen cannot find it out, that is all that is done. While on the subject of the causes of fires, I beg to hand in some copies of a broadsheet that I extensively circulated, of directions to avoid accidents and to aid endangered persons to escape from buildings on fire, which contain the common causes of fire, and suggestions guarding against accidents not generally known. (*See* Appendix.)

Thursday, 9 *May* 1867.

MEMBERS PRESENT:

Mr. Agar-Ellis.
Mr. Beach.
Mr. Gorst.
Lord Richard Grosvenor.
Mr. Horsfall.
Mr. Kinnaird.
Mr. Laird.
Mr. Lanyon.
Mr. Lusk.
Mr. M'Lagan.
Mr. Miller.
Mr. Read.
Mr. Henry B. Sheridan.
Mr. Tite.
Mr. Turner.
Mr. Whitmore.

PETER M'LAGAN, Esq., in the Chair.

Mr. Lewis Becker, recalled; and further Examined.

Mr. *L. Becker.*

9 May 1867.

2114. Mr. *Kinnaird.*] Upon what principles have you divided London into districts, and placed steamers, manuals, and hose reels in communication with the central stations?—First of all, I divide London into five districts, A, B, C, D, E; A, B, C, being the north side; and D, E, the south side. The green lines shown on the plan are the divisions right through the London district. We thus get an area in square miles of 24, 30, 19, 31, and 46, for each district respectively. The steamer stations are put in those places where they have equal running, so that if a fire occurred between any two districts, you could have the attendance of any steamer that you liked. At the same time, care is taken to place them in districts where there is good water supply. The manual stations are on the same principle, acting subserviently to the steamers (I mean, by manuals, the hand-pumping engines); and the hose reels are placed subserviently to the manuals, in between the manuals, so that there is a station over every half a mile.

2115. What saving would there be by your plan in the risk of entire destruction of property, as compared with the present system?—With regard to expense, I employ less men than the Metropolitan Board propose to employ; I employ 326 men, 29 steamers, 49 manuals, 53 hose reels, and 4 floats; the result being that, if a fire occurred, as it did at the Crystal Palace, a steamer would only have to run one mile; the manual would only run three-quarters of a mile, and the hose reel only half a mile. By the present system of the Board of Works you would have to run from Southwark Bridge-road nearly eight miles. The nearest manual is at Peckham, a distance of three and a half miles; and there are no hose reels at all.

2116. In all human probability, under your system, that wing of the Crystal Palace might have been saved, or, at all events, the damage might have been reduced?—A material portion might have been saved. The same principle answers all over the map; it does not matter whether the fire occurs at Hampstead or in the heart of the City.

2117. Do you consider that the alarms of fires are vigilantly carried to the fire stations?—No; they are at the mercy of anybody now to take the fire alarms to the stations.

2118. Will you be good enough to explain to the Committee your proposed fire telegraph system?—This (referring to a diagram) is a simple instrument, which I propose to erect in the street, against the shop jamb, of which a policeman has the key, and also the householder, so that if a fire took place, the policeman could open it, and give an alarm of fire. He would first touch a bell, which would ring a bell in the station, and the moment the bell rang and exposed the number, it would show the locality of the alarm at the fire station, and the reply would be made by the fireman by touching the bell, which means that they "understand"; the alarmist then touches the word "fire," and he could give the call either for a chimney, or for a large or for a small fire, so that the policeman does not leave his beat; and he can immediately send the alarm without allowing the fire to increase while he leaves the spot, which is a great danger. There is another point, and that is, that where false alarms might be taken, the firemen themselves having the key, could send a stop to any place in that event, or could get extra engines, if necessary, on the spot without leaving the scene of the fire: the same instrument answers the purposes of fire alarms for Government buildings or theatres. This map shows the house-wires over the streets of London. I propose, through a pipe from the instrument to introduce a wire, so that the wires that are now unused, will be converted to that purpose. An electrician said, that they would cost about 4 *l.* a-piece, and being dry batteries, there would be no getting out of order.

2119. This plan has been, I believe, tried practically, and is effectively used in Canada and America at this moment?—When I drew out this system in the year 1855, I was not aware that they had a system of ringing bells, but I think that the key system is the most perfect.

2120. But you have ascertained, and do know from your own knowledge, that it is most successful in Canada and America?—Yes; I know from my

y own knowledge that the electric department r the call of fires is considered most important. hey have a superintendent of the electric de- artment for that purpose.

2121. I suppose, as compared with the loss by re, the expense of such a system is a mere othing?—Certainly.

2122. For what purpose do you propose to nploy the police force in the event of a re- rganization of the fire brigade?—I think every olice station should have a reserve of firemen. ake Barnet, for instance; we have a police sta- on at Barnet, one at Whetstone, one at High- ate, one at Holloway, one at Islington, one at lerkenwell, and one in the City; therefore you et a line of six stations, all of which might be ade auxiliary fire stations. The rent of an ngine-house at each of the stations would be of ery little expense, and an engine with two or hree firemen should be placed at each.

2123. Your opinion is that the police, as co- perating with the system of fire prevention, are ot nearly as effectively used as they might e?—No; I have seen many policemen good remen.

2124. Have you, in your experience, seen the orking of the Liverpool fire brigade system, or hat of any other town, such as Manchester, lasgow, Bristol, Dublin, or Belfast?—I have een the fire brigades in all those places. I have nspected the fire brigade in Manchester half-a- ozen times, in Glasgow twice, and in Liverpool hree times. The last time I was in Manchester vas last February, and I was in Glasgow in October last.

2125. Do you consider that the class of fire- men which they employ in those places are uperior and more fitted for their post than those f the London Brigade?—Certainly; because hey are artisans.

2126. They thoroughly understand when they et into a house what to look for and what to lo?—Not only that, but in Glasgow the firemen nake their own hose and paint their own engines; o they do at Liverpool and Manchester, and a very large saving is effected by those means. A painter has to do many hazardous things which re really part of a fireman's duty.

2127. Considering that London is the capital f England, is it, in your opinion, at the present ime, properly protected against fire?—Certainly not.

2128. In what respects do you consider the existing system most at fault?—The system is wrong in employing a wrong class of people, and in centralising the fire force too much. They have no protection in the suburbs. Take the case of a fire at Stratford: the nearest steamer station would be Bishopsgate-street, and by the time the engines got there, the premises would be burnt down to the ground; but if they put a steamer at Stratford, in the event of a fire taking place in Stepney or Mile End, they could meet each other half way; the running of engines to fires is most important.

2129. Do you consider that there is any danger to life from the present use of steamers; are they judiciously used?—I think that the class of men who drive the steamers are very likely to cause accidents; they are not engineers; explosions are very likely to occur. I have been very much surprised that one has not happened before this by being improperly handled; they are often run at a very great rate, and there is not that amount of inspection by practical engineers which is necessary.

2130. You are rather apprehensive that some day there will be a loss of life by explosion?—It is quite possible.

2131. Will you explain to the Committee your proposed plan for the protection of the metropolis from fire?—I have taken those districts where fires have most frequently occurred, where no assistance can now be immediately rendered, and ascertained from personal inspection the water supply that has been available for the purpose, and the means that should be required, and where a steamer, manual, or hose reel should be placed, and where there is such a supply of water that, in the event of the mains being charged, it would yield sufficient for each class of engine as located. Thus, I place a steamer where the water supply may be abundant, but not with a greater amount of force. The average water supply of the metropolis is quite enough to do away with steamers in many of the positions which they are now placed. In Camden Town I have an engine, and it has never been at work but once; the stand pipes yield water quite equal to a manual engine, and steamers do not do much more than manual engines as they are at present worked.

2132. I believe that there is no city in the world so well supplied with water for fire purposes as London?—If we take the area, we are better off than many other cities; but taking Glasgow and Manchester, where it is simply in the city, they are better off; our large area makes the difference. At Clapham it is very seldom necessary to work a steamer.

2133. In providing those central fire brigade stations, what class of firemen do you propose for each branch in the service?—At, say, No. 4, steamer station in A district, on the plan, I should reside the foreman of the fire department; that is the central station; also a man who has a thorough knowledge of the district, so that if he received a call for a fire from No. 4, manual station, A district, at Kilburn, he would know what would be wanted. I would have a foreman there who would be responsible for the fire; and a man who had a thorough knowledge of London would not send six steamers to a six-roomed house, which would be enough to wash the house right away.

2134. If there was a fire at Kilburn at this moment, what would happen under the existing system?—First, the alarm would be taken to the Paddington station.

2135. That must be by messenger?—Yes; and then from Paddington it would go to Baker-street, where there is a steamer that would attend at once; he would telegraph to his foreman at King-street, and if he thought fit, he would go. If it turned out to be an ordinary shop fire, which probably a hand-pump might have put out, you would then have had two steamers, with six men on each steamer, and a manual engine with also four or five men to it.

2136. You have often seen, perhaps, as many as three or four steamers at a London fire, where probably a manual or a hose reel would have been enough to extinguish it?—Certainly.

2137. You consider that a great waste of power and expense, from the want of knowledge of what is required?—Yes, besides the wear and tear in running through the streets; and if an accident happens, as they often do, the expenses are enormous to repair them.

Mr. *L. Becker.* 9 May 1867.

2138. If there was a fire at Clapham, what are the means that would now be employed to convey the alarm, and bring the required number of engines?—There are no means to convey the alarm whatever, except by the road. They would have to go first to Kennington-lane to the foreman of the district; formerly it used to be the Southwark Bridge-road; and then they would have a steamer down to Clapham. There is a volunteer brigade there, Mr. Hewitt's; but it is quite at the mercy of the police or anybody who like to call them.

2139. Have the present fire brigade the means of inspecting hazardous buildings and goods in their district, or of studying the art of extinguishing fires?—No means whatever, I believe. I have not heard of any firemen taking the trouble to enter any warehouse for the purpose of seeing the locality of the risk or the goods stored therein.

2140. Would not that be a great improvement in the system, prevention being better than cure?—I think that the firemen ought to have a thorough knowledge of all the risks in their district, and should know what goods are stored in a wharf, for instance, and what risks are contiguous.

2141. Will you explain to the Committee the advantages of your proposed fire-plug system?—The present system of marking the plugs in the streets is by little pieces of wood, whereon is "F.P.," with the number of feet that the plug is distant. In a place like Bermondsey, where the houses are close and where the nails have rotted away, very few of them are to be seen; and in such localities as Clapham, where there are long gardens, they are not to be found at all. The result is, that if you go down with a steamer you have to wait for the turncock, and he has often to come a very long way. I propose to convert the street lamps into a system which the Leeds Corporation have adopted from my idea of marking on each lamp a symbol, which a fireman, or even an omnibus driver, and every passer by, would know indicated a fire-plug; place a red glass, like the one I have here, into the lamp with an arrow pointing like this, that would mean 16 feet out into the road; then, if a plug happened not to be opposite that, there is a side glass indicating, say seven feet the other way, and that would indicate the position of the plug; the red would indicate the plug that is on the fire-main, and a fire-engine arriving the engineer and firemen would know that that plug would yield enough for a steamer; the blue would be enough for a manual engine, and the green enough for hose reels. So that there is no possibility, as is often the case now, of a steamer having the hose laid out and after it has gone to work, of the turncock saying, "I can give you a better plug," and the firemen having then to move the steamer. This plan would do away with the need of all turncocks.

2142. How long has this plan been in operation at Leeds?—For nearly three years.

2143. Has it worked very well?—I have never heard them make the slightest complaint.

2144. Have there been any instances there where this plan has enabled the steamers to do a great deal of work?—They principally use the stand-pipe at Leeds, and, I believe, they have attached to every engine a man who is capable of turning the water on; it is his duty, and his duty only.

2145. Whereas under our own system there are great delays in getting at the water?—Without the assistance of the turncock; according to the present system, I cannot see how a fireman can know which is the nearest or best plug.

2146. But it should be the duty of the foreman of the district to know all those points, you think?—I think it is the duty of the foreman to study the water supply; without that a steamer which costs 1,000 *l.*, is useless.

2147. Can you, as an officer of an insurance company, explain to the Committee the advantages or disadvantages of the Average Clause?—The Average Clause is enforced by an Act of Parliament, 9 Geo. 4, c. 13, which compels the insurer to place on every detached building a separate sum for insurance; in the event of not doing so the insurance company is under a penalty of 100 *l.* The Average Clause is specially worded whereby a person may insure for a large sum of money over various wharfs and warehouses or other buildings; for it would be impossible for a man to know where certain bales of cotton might be deposited at any time, therefore he takes an average over the various buildings in a round sum. The result is this, that if a fire occurs on that wharf he bears *pro ratâ* the amount of loss to the amount that may be insured; thus, if a merchant insures for 4,000 *l.* on goods in various buildings of a wharf, and at the time of the fire the value of the goods is 8,000 *l.* and the loss 1,000 *l.*; then as 8,000 *l.* is to 4,000 *l.*, so his loss would be 500 *l.*, and the insurance company 500 *l.*, and so it would be in any sum of money. The fact of the goods only being half insured he is his own insurer for the other half. But it may happen that none of his goods are in the building that is destroyed, and then the insurance company takes the benefit of the Average Clause being thrown over the other buildings. It is against the insurer, but at the same time it is a great preventative against crime, because there is always something at risk. In Belfast it is a compulsory thing to introduce the Average Clause, and they are now about to introduce it into Dublin. I believe that the County Fire Office is the only one that declines to join.

2148. On what ground do they decline to join?—They think that the Dublin class of business should not be subject to that; and the Dublin insurers are much against it. The advantage is clearly on the side of the insurance company; the Average Clause would be a very unfair thing in a private house or a shop, because a man who has no great fear of a fire might not wish to insure for the whole amount, and then he would be a heavy loser, perhaps, through an accident, if he had the Average Clause.

2149. I think you have stated, that you thought the Salvage Corps a most efficient and valuable institution; how could we, in your opinion, develope that corps more and make it more useful?—I think that the Salvage Corps should be part of the fire brigade. I cannot see that it makes any difference whether the fire brigade saves the property by putting out the fire, or whether the Salvage Corps gets it out of the building before it is partially damaged. The Salvage Corps being a distinct institution, only supported by some of the insurance companies, solely works for their benefit; but if they find that a building is not insured, or is insured by one of the companies not contributing to their funds, they turn their carts round and leave it.

2150. Is there any insuperable objection to its

being part of the fire brigade?—None whatr; the engines carry quite enough men to able to tell off two men to the salvaging of perty; instead of that, there are two disct forces; there will be a great amount of her some day with regard to the damage that be done by the fire brigade by water.

2151. Lord *Richard Grosvenor.*] That would olve an increase in the number of men, would not?—No, not at every station; instead of mere firemen, there should be four experienced men, and two men out of the six capable of aging property. I consider the present system ss of valuable services.

2152. What do you say about the time that men would take up in attending to the salge instead of attending to the fire?—If a fire s from room to room the question is, whether men could not remove the property before fire extended, but they do not do it at the sent time; they rather throw the responsity upon the Salvage Corps.

2153. After a fire has occurred, watching the mises is a work that involves an increase in number of men, is it not?—I think that the companies should pay for that, because it is arly for the company's interest to prevent bery, and to get at the means of discovering cause of the fire. The Salvage Corps should paid for by the companies *after* the fire; but hould be a public service at the time of the , because those who are not insured suffer at present time in consequence of having no vage Corps.

2154. Mr. *Tite.*] Do you mean that a man o is not insured should be as well looked after a man who is insured?—Certainly, as long as pays a fire-rate.

2155. Mr. *Kinnaird.*] You think that the ies of the Salvage Corps might be very well ried out by the fire brigade in general?—I nk so. In Glasgow, Manchester, and Liverol, they have salvage firemen, and there it rks very well. I was present at a large fire Manchester, at which I saw firemen salvaging perty, tying things up, cutting up the floorings, putting tarpaulings round; they let the water ough to the cellars; it was firemen's duty, and the same time salvaging. I cannot see how two services can be properly separated.

2156. Under the present system places are en deluged with water, and other damage is ie which might have been avoided?—Yes. . Swanton is the Superintendent of the Salvage rps, and if he were to say to the fire brigade, Do not put more water on that building," it uld be their business to put the fire out, and the water might do a vast amount of injury.

2157. Mr. *Horsfall.*] If the Salvage Corps do do their duty, do you not think it is still the y of the firemen to save as much property as y can?—It is the duty of the firemen to put the fire with as little damage as possible.

2158. Mr. *Tite.*] Is not that the rule now?—ave seen great destruction done by the fire gade.

2159. Wilfully?—No, not wilfully; but I nk the steamers are too cheap, and more nage is done by water than by fire.

2160. Lord *Richard Grosvenor.*] Do you think t there is more damage done at fires in London water than in provincial towns?—Yes, cernly; I have seen buildings completely washed t in London.

2161. I have heard complaints of the same kind in Liverpool, I think?—They have got wool in Liverpool; if a wool warehouse catches fire you can put any amount of water there that you like; but I have seen at a draper's shop in the Walworth-road the water doing 1,000 *l.* worth of damage when another half-hour's fire would not have done so much.

2162. Does not that happen in Liverpool?—I can quite imagine that, but not so much as in London; I have a case where the damage by fire was 25 *l.*, and the damage by water was 106 *l.*; that was ironmongery, which you cannot burn. We paid the total loss.

2163. Mr. *Horsfall.*] Would it not have been more if it had not been for the water?—No; the intensity of the smoke deceived the fireman; he was a young man; the engineer happened to be ill at the time.

2164. Mr. *Kinnaird.*] As a volunteer officer of a fire brigade, do you know that the London Fire Brigade discourage the action of the volunteer firemen; can you explain the reason of that?—They do, over the whole of the metropolis. The volunteers have had very great opposition to them. I cannot suppose any reason, except that they get to the fires first, and very often put them out. I consider it the duty of everybody to put fires out. The result is that there is a great amount of animosity shown by the men of the Metropolitan Fire Brigade, which seems to be very much encouraged by the officers. The volunteers get blackguarded and insulted.

2165. And in the meantime the public suffer?—Yes. For instance, the nearest station to Holloway, except within a few months, was Whitecross-street or Farringdon-street. The Holloway volunteers cannot work with the brigade, and sometimes, when they got to a fire, they pulled their hose out.

2166. I suppose the law enables them to do that?—We have not yet tried the law, but I think it is the duty of everyone to put fires out.

2167. Have you any suggestion to make to the Committee with regard to any manner in which these two systems should be made to work together, as the army and the volunteers do?—I cannot conceive why the Volunteer Brigade should not be encouraged by the Board of Works; although they have no funds at hand, but they do not ask them for that; they merely ask to be allowed to do the best they can at a fire until the arrival of the brigade, and the volunteers being composed of gentlemen whose feelings cannot be outraged, the result is, by being insulted, three or four brigades have been broken up. I had a case at Battersea last week; Price's Candle Manufactory Brigade attended a fire at May & Baker's; they asked for their expenses, and the brigade said, "We have no funds of that nature." They put the fire out before the brigade arrived. That was a serious fire. The following night one of my houses was on fire, and on the call being taken to Price's Candle Factory and assistance asked for, they said they would not turn out, because the brigade would not pay the expenses. The result was that my house was burnt down with two others. If the Board of Works do not provide an engine, they have a right to pay the working expenses of an engine that does render assistance, otherwise they are simply cutting off the supply of that assistance that would willingly be rendered; and even if a man makes a mistake, they have no right to blame

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blame him, because they do not pretend to be such experienced men.

2168. Do you receive any remuneration for your own brigade's services?—Nothing. I pay my own working expenses, and get blamed for putting fires out, by the brigade.

2169. What engine is yours?—Camden Town.

2170. Mr. *Tite.*] Is it your property?—Yes.

2171. Are you a builder?—No; I am superintendent of the Western Insurance Company.

2172. Is the engine supported by yourself?—Yes, out of my own funds.

2173. With what view?—Simply to give me experience, and to study fire matters.

2174. It is not connected with the company as it used to be?—No.

2175. Mr. *Kinnaird.*] Has your attention been directed to the improper storage of hazardous goods in buildings, and to the indiscriminate sale of explosive oils in shops?—Yes. I have been very much surprised to find a vast quantity of very inflammable oil stored in all parts of the metropolis. In the Haydon-square fire I saw thousands of gallons of paraffin oil; that was immediately under a wool warehouse, and at this fire there was also an immense quantity of whisky: the result was that the flames belched out of the windows and fired four other warehouses, which, in all probability, would not have occurred with the wool only.

2176. What remedy would you propose?—An Act to prevent wholesale storage, anything over 20 gallons. There are also petroleum, kerosine, and crystal oils sold in chandlers' shops and by respectable chemists in the most indiscriminate way; and at night I have seen a drum containing 20 gallons of paraffin within two or three feet of a gaslight. They sell these oils at night to children, which, I believe to be the cause of half the fires in those shops.

2177. *Chairman.*] Have you examined those oils chemically?—I have seen a great many experiments made with them. The iron drum is a is a sort of bombshell, and if it was to take fire in the shop with the metallic capsule screwed on, it is nearly as bad as half a barrel of gunpowder.

2178. But does not that arise from the inflammable point of the oils being rather too low?—If a shop is on fire I do not think that much matters; we have seen very destructive effects from the best oils.

2179. You have spoken of the shopkeepers selling those oils at night; would there be any danger from that, if it was properly refined oil?—All mineral oils throw off an amount of gas which is inflammable.

2180. Do you know Young's paraffin?—Yes.

2181. Do you think that that throws off inflammable gas?—Yes, as much as turpentine.

2182. At what temperature?—About 125.

2183. Is the evaporating point of turpentine much lower than that?—All volatile oils will do that; it does not matter much at what temperature. In Professor Holloway's fire there was gas thrown off by the ointment being made, which Mr. Holloway, I believe, did not know of.

2184. But, in refining Young's paraffin oil, there is a spirit taken from it which is very much of the nature of turpentine itself, is there not?—Yes.

2185. A light spirit?—Yes.

2186. It is because that spirit is taken off that the oil is safe?—I cannot alter my opinion. I do not consider any mineral oil safe in a shop. am not comparing Young's oil with any other, b I have an objection to seeing any stored in t way I have been speaking of.

2187. I wish particularly to make a distinctio between Young's oil and the refined petroleu imported from America; there is a great deal it which is highly dangerous, and does throw that inflammable spirit, and will explode in ord nary shops, but with such as Young's oil I do n think there is so much danger; is that your op nion?—It is not merely the oil, it is the was that is used with it; if you wipe your oily han with a piece of linen, and throw it under t counter, there it stays, and in a few weeks spo taneous combustion takes place; there is fir wood, tarred rope, and other inflammable articl there; it often becomes a great fire, and t whole of the premises are burnt out. If one the drums was to explode, a person passing mig be blown to pieces across the road.

2188. You think that there should not be mo than a certain quantity in a shop at a particul time?—Just the same as gunpowder, a limit quantity.

2189. How many gallons would you say the ought to be?—There should be never more tha 20 gallons in any retail shop, and that should b in an iron drum.

2190. But in a retail shop they will sell fi times that quantity in a day, will they not?- Yes.

2191 You mean actually in the shop?—Ye or on premises that are communicating, but t shopkeeper might have a shed 20 feet away. mean not on the building itself; it is usual f those, in answer to inquiries about insurance, say, "I have one drum under another." A m calls round, but if he has not emptied one dru he has another one, and by the time he gets dozen drums, he gets one drum over, and then h has two drums.

2192. What class of men do the Salvage Cor employ?—They are most of them out of the o London Fire Brigade; they are are not a cla of men adapted for the Salvage Corps. Our co pany does not contribute towards them, neith does the Sun.

2193. Are their charges reasonable?—N they are very high; there is a peculiar anomal If we do not contribute towards them, we a not liable for the expenses; but if we do co tribute towards them they charge us for runnin to a fire; therefore a subscription brings you a ditional expense; and if you pay 14*l.* or 17*l.* f going to a fire with very small damage, it is serious item.

2194. How is it governed?—By the compani contributing; it is the same system as the o fire brigade.

2195. But you do not think that it is as efficie as it should be, for the charges?—Just so; w pay much cheaper to the Fire Brigade than the Salvage Corps.

2196. Take the South London District. I you think that district is sufficiently protecte from fire?—It is the worst protected in Londo and has very valuable property at risk.

2197. Some of the most destructive fires occu in that D District, do they not?—Yes; t largest fires.

2198. Tooley-street, for instance?—That is i the D District. In the late fire in Southwar street the new buildings were burnt down to t ground

ground; they were totally destroyed. They are also in the D District.

2199. Has any additional precaution been taken in that district to make the protection more efficient?—I believe that they have placed a steamer at Lucas-street, and they have got a manual engine at Peckham; but with Dulwich, Streatham, Norwood, Penge, and Woolwich, they have not provided any means to extinguish fires. Woolwich is in the worst position. They used to attend from the dockyard to put out fires; the Brigade used to pay them. Mr. Braidwood used to pay them, but the Metropolitan Board of Works will not pay them at all.

2200. Mr. *Tite.*] Have they any power, by Act of Parliament, to pay them?—I think they should make that, at the present time, a component part of the brigade, or else not levy the rate.

2201. They cannot go beyond the Act of Parliament?—The Act of Parliament gives them power to place an engine there.

2202. Should you be surprised to hear that we are going to do so?—I am glad to hear it.

2203. Mr. *Gorst.*] Do all those people pay the fire rate?—Yes; they also do at Plumstead; they contribute very largely. A gentleman's house at Streatham may burn to the ground, and at the Crystal Palace and Tooting, for there are no means provided for extinguishing fires. Also any property at Wandsworth, Battersea, Camberwell, Brixton, Denmark Hill, Dulwich, East Dulwich, Rotherhithe (with the exception of one station alone), Deptford, East Greenwich, and Lewisham, may be burnt out, for there are no stations provided within many miles.

2204. Mr. *Tite.*] Do you know in fact that the Metropolitan Board of Works are doing all they possibly can in getting sites, and making arrangements for putting engines at those spots?—No, I do not know it; and I cannot conceive that they have done it, because they have had the fire brigade for 18 months.

2205. They cannot get land and put engines there within 18 months, but you do not know that they have made such arrangements?—No.

2206. Mr. *Kinnaird.*] Has the effect of this Act been for the present to give the districts less protection than they had before the passing of the Act?—No; not less, and not much more.

2207. But it is very bad, is it not?—Yes.

2208. And it remains so for the present?—Yes.

2209. Is it not customary for the foreman of a district to visit all the stations daily?—It is his duty to do so at uncertain hours.

2210. Is that carried out?—No, I cannot conceive that he can do so; he is supposed to go from station to station to inspect the plant and see the men, and very often to attend the ruins of fires.

2211. The area is too large, you think, for his doing the duty effectually?—There is very great danger in doing so, because it takes away experienced men in case of a fire occurring.

2212. You think that it would be very desirable to divide the districts?—I think that each district ought to have a different superintendent, and then to be divided into sub-districts.

2213. Do you think it necessary to inquire into the causes of all fires?—Most necessary.

2214. Are you of opinion that such inquiries should be made by a public officer?—Yes.

2215. Could you suggest the class of public officer who should be employed?—I should propose an officer who should be well accustomed to fires, having the assistance of a professor of chemistry, because it happens very often that the cause of the fire is a question of chemistry; he should also receive the advice of a solicitor on his report, and then it should be forwarded to the insurance companies, in order that they might know the true cause of a fire, which would be very valuable for their statistics, and it also would be a great check to arson.

2216. You think that it would lessen the number of fires, and that there would be a saving of property?—Yes; I believe that many persons who are now burning houses down would be afraid to do so.

2217. You think that is a common and rather a growing practice?—It is greatly on the increase.

2218. Is it a lucrative branch of business?—I should not think a man would lose by it; they select districts where there is no fire-engine, and the result is a total destruction of the premises; they watch for those isolated places.

2219. One witness told us that whenever there was a depression in any branch of trade, fires increased in that branch; is that your experience?—The cotton fires of Liverpool were known to have been caused by the peculations of warehousemen when but little trade was doing; they were on half time, and the moment the cotton went up the fires went down.

2220. Take the hat trade when it is depressed; are there more fires among hatters then than at any other time; have you had any such experience as that?—I never watched it closely enough for that.

2221. Mr. *Turner.*] Is not this rather the suspicion—that in many cases the warehouses have been robbed, and that the fires were supposed to have taken place to conceal the robberies?—Yes; I have a case in hand of that kind.

2222. It is supposed that somebody had robbed the cotton, and subsequently that the same person, either by himself or by somebody else, had set fire to the warehouse to conceal the robbery?—Yes, that is a great cause of fires.

2223. Mr. *Kinnaird.*] Supposing arson or fraud was committed, what course should in your opinion be pursued?—I think that a report should be made to the fire office as suggested, and then it should be submitted to the magistrate of the district, who should issue his warrant for the person committing arson or fraud to be brought before him if there was evidence enough; then the insurance companies should be compelled to prosecute, but they should be held harmless from expenses or adverse verdicts, because prosecuting a man and failing in it has a marked effect on them; but if they secure a conviction their aggregate losses would be less, for dishonest men would cease to insure.

2224. What do you think of a detective fire police?—I think there should be six fire policemen, one in each district; whose duties it should be to make those inquiries, and that they should be experienced firemen. There are many inquiries which the offices cannot carry out, and after losses have been paid, the companies very often find out something, which had they known before, they would not have paid the loss money; they are now forced to pay ordinary detectives very heavily, but the great difficulty is their want of knowledge of fires.

2225. You

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2225. You would like a trained body of fire detectives?—Certainly; it is a very important thing.

2226. What course do you propose for the protection of life in theatres and public places of amusement?—Theatres and public places of amusement should have firemen told off every night; the most dangerous time is after the theatre is closed. The duty should be from 6 a.m. to 6 p.m., and the water supply should be laid specially on; the free ingress and egress should be attended to; the superior officer of the district should report periodically upon such places.

2227. They pay a very large extra rate for insurance, do they not?—Nearly the lowest rate is two guineas; but nearly every theatre now provides its own firemen, because they cannot insure with the companies to their full extent. The firemen remain behind the scenes, and walk round the theatre, but that is not sufficient.

2228. *Chairman.*] Sometimes very serious losses of life have occurred when a fire takes place, and the performance is going on; do you think, in the construction of theatres and other public buildings in the country generally, there are sufficient means of egress provided?—No; and the class of performances that have been lately introduced are of the most hazardous nature, such as the "Streets of London." I saw at a theatre in the provinces a real rocket fired across the stage; on complaint, their excuse was that sailors would not look at anything but real rockets.

2229. You would recommend, if there should be any legislative enactment, that it should be made incumbent that there should be sufficient means of egress?—Yes, and the building should be erected in such a way that the public should know the means by which they are to escape, because, however much you may throw open the doors, the difficulty would be to get people to understand which is the way out.

2230. Do you know anything about theatres on the continent?—No; I know that they are under the Government, and that the fire brigade attends at six or seven o'clock at night with fire-extinguishing apparatus, and communication is laid on to stations. Say, if a fire was to occur in the carpenter's shop in Covent Garden Theatre a man would have to run to the fire station in Chandos-street, and in the meantime the roof is alight. If they had a telegraph at such places they might be able to nip it in the bud. I have heard of fires in theatres to which the brigade have never been called.

2231. Mr. *Horsfall.*] Would it not be well that such places should be built of fireproof material?—I do not think that that would affect any building so long as the contents were inflammable. Take the fire in Gresham street, where carpets (a non-inflammable material) were totally destroyed; it was built so fireproof that every atom of goods was consumed before the fire could be put out.

2232. Mr. *Kinnaird.*] Do you consider that the Government buildings and public departments at this time are sufficiently protected against fire?—No; I believe that if a fire of a serious nature was to occur at the Post Office it would be half destroyed before it was could be put out. They have hydrants all over the building, and firemen doing duty; but as the building is getting old, so the rubbish becomes great; the fire might get a firm hold in the cellars and totally destroy the place. If you depend on inward appliances, only you are cut off from the means that you would otherwise have brought to bear. You want good appliances outside, or even to use both in case of a serious fire.

2233. With regard to steamers, do you consider that they should form a distinct department and that a particular class of men should be employed to work them?—Yes; they are very peculiar machines, and unless they are efficiently worked they might do just as well with half the horse power that is now in use. I propose that they should be always worked by an engineer who knows his duty; instead of that, they are all firemen, and if there is a shift from one station to another then the steamers are experimented on at fires by different hands. I cannot conceive that the officer of the brigade has anything to do with steam; he cannot study the steamers and the fire too. Captain Shaw is responsible for too many things.

2234. Will you explain to the Committee your system of signals for fire engines?—That is designed for the present system? The engines have no means of knowing when they are on the road whether they are wanted or not. I propose, on the top of every engine station, to erect a telegraph post, which would be like a railway signal. If you were going over Westminster Bridge, you could see at Battersea whether the light was green or red by night, or the symbolic cones by day; that is, whether it meant "go on," or "return," something like the block system on railways.

2235. There is no such plan adopted now, is there?—No. I submitted that also to the Board of Works, but they made very little inquiry into it. I attended the Board, but it was arranged beforehand that they could not go into it because it would entail extra expense, and they said that they had not the means at command.

2236. Mr. *Horsfall.*] You have spoken of the systems at Manchester and Liverpool and elsewhere, but I presume that your chief experience is in London?—Yes.

2237. The result of your experience is that you consider the system adopted by the Board of Works very defective?—Yes.

2238. And, consequently, there is greater loss of life and property under that system than there would be under the one which you now propose?—I think so. Life is often lost by suffocation. If they have the control of the Royal Society for the Protection of Life from Fire, I propose that that should be a distinct branch. Where only one man attends a house with the escape, which is a most delicate machine, for he has often to run a mile with his escape, I do not think that is sufficient.

2239. Part of your system is to put up telegraph instruments in different parts of the metropolis?—Yes.

2240. At an expense of 4*l.* each?—That is all.

2241. How many of them would you put up?—Between 200 and 300 at least. The present telegraph lines which run over the houses are only of use between one station and another; from those wires I propose to bring down a smaller wire. The result is, that between Farringdon-street and Holborn I get two alarms, and that would be within a space of a quarter of a mile. Of course it would answer on the opposite side of the way equally well. I increase them down

down the Strand, because they have got a large property to give the alarm from on the Temple side. The call money (which is a very serious item in the Fire Brigade account) would thus be entirely saved.

2242. You think that that would be sufficient?—I think that 240 instruments would be quite enough, because the police stations would be such equidistant stations that they could be worked in.

2243. What is the average cost of the present system of the Board of Works?—£. 50,000. per annum.

2244. How much would that be reduced by the system which you propose?—I say that my plan would cost no more than the Metropolitan Board of Works' system, because in Watling-street they place 22 or 24 firemen, while I distribute them over the metropolis. I say that four firemen in Watling-street and four firemen at Hackney would answer the purpose better, because if you require to take them away to Hackney you might just as well have them at Hackney, whereas, by a system of distribution, if a fire occurs between the two places, then you get double the supply of engines and men.

2245. You spoke of having been blamed on an occasion of your having employed your own engine?—Yes.

2246. By whom were you blamed?—By the brigade.

2247. Did you make any representation to the Board of Works on the subject?—No; I have written so many letters to the Board of Works, and I believe they have got tired of carrying on the argument any further.

2248. Mr. *Tite.*] Did you ever write a letter to the Board of Works to which you have not got an answer?—Yes; I have three letters unanswered.

2249. Will you give me the dates, or send me the dates?—Yes, I can send them.

2250. You say that you are fire superintendent of the Western Insurance Company, what does that mean; are you the surveyor?—I am the fire manager, and attend to everything from the taking of the risks to the settling of the losses; I direct the surveyor.

2251. Is there a surveyor besides?—Yes.

2252. Who is he?—Mr. Lewin.

2253. In another portion of your evidence you say that you were for some years chief officer of a fire brigade in London?—That was Hodges' Brigade in London. A brigade with steamers which had been established since 1851.

2254. Was that Mr. Hodges the distiller?—Yes.

2255. That was quite private, was it not?—Yes.

2256. Was that used for putting out fires generally?—Yes, they went to every portion of London.

2257. With regard to the Average Clause, are you aware that the opinion of the fire offices is that if the Average Clause was made compulsory as it is in France, it would enable them to reduce the rate of insurance now paid, perhaps one-half?—It is reduced when the Average Clause is inserted in policies; we do not wait for that.

2258. But do you know that it is the opinion of the fire insurance companies, that if that Average Clause were compulsory, as it is in France, it would so much diminish the risk that they would be able to reduce the rate very much?—Certainly, it is an advantage to the insurance companies, but it is a very unfair clause to many classes of business. Suppose Messrs. Lewis and Allenby of Regent-street, whose property is worth, say, 100,000 *l.* desire to insure the whole, they should be allowed to do so; but if they were only permitted to insure for 50,000 *l.*, and the premises were destroyed, they would then only be paid 25,000 *l.*

2259. Is not that reasonable?—No, because they might wish to insure against total destruction. I do not consider that a man who is a provident man has a right to run any risk.

2260. He might insure the whole, might he not?—He might not be able to insure the whole.

2261. But why should he throw the risk upon somebody else?—It is a mere speculation.

2262. If a man insures all his stock for half the money, and makes a total loss, why should he throw upon them that which he ought to take a share of himself?—I cannot see that he should take any risk at all if he chooses to be provident enough to insure. If he shows a loss up to the amount of his insurance he has a right to be paid that sum.

2263. Are you aware that about six years ago all French companies came to London and offered to insure that which is charged 1 *s.* in London for 6 *d.*?—Yes.

2264. The French insist on the Average Clause, while we do not?—Yes.

2265. And the late Sir George Cornewall Lewis brought in an Act of Parliament upon that?—Yes.

2266. I suppose you know that, at the same time, the insurance companies stated that if the Average Clause were enforced in England they would do the same thing as the French were doing?—Yes.

2267. Mr. *Turner.*] I suppose your idea is that this is a question of bargain between the offices and the insurers?—Yes.

2268. And that it ought to be left as it is at present, a matter of bargain?—Yes.

2269. Is it part of the present law that a man cannot have the Average Clause in some places?—No; you can have it anywhere.

2270. You might carry it out in the policies, if you pleased?—Yes. The companies often try to put in the Average Clause with persons whom they have a little suspicion about.

2271. It is not a question in your mind of fairness or unfairness, but a question of bargain?—It is a question of bargain. It is a fallacy to say that any reduction of duty would increase the business; we experienced no increase of business when the duty was reduced. I think the rates are inadequate in many cases.

2272. Mr. *Tite.*] You do not think that it would diminish fraudulent insurances if the amount of the insurance were made to approximate more nearly to the value, by having some compulsory declaration of the actual amount of the property put in the policies?—That would be the wording of the marine policies. I do not think that it would make the slightest difference to a person who wanted to have a fire, he lays his scheme so deeply. In many cases we cannot find one-half the property, but we cannot prove that it was not there.

2273. With regard to public buildings, do you know that those buildings are placed under the entire control of the district surveyor, who is responsible to the Metropolitan Board of Works,

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and that no man can open a theatre till the drawings for it have been approved?—That is applycable only to new buildings; I was speaking of old theatres in existence.

2274. All those built since the existence of the Metropolitan Building Act must have been built subject to their supervision?—Yes.

2275. Will not that gradually put an end to the evils you complain of?—Theatres are always liable to fires.

2276. Is it not the fact, that all the precautions which you suggest are taken under the existing law?—Yes; but I do not think that even the Surrey Theatre is safe.

2277. Do you mean that the exits are not enough?—No; I do not think that the means taken for getting persons out are sufficient. When there are 2,000 people in a theatre, passages so many superficial feet wide are not enough during an alarm of fire. There should be distinct passages, so that persons could go out either way. I would allow people to go on to the stage to make their escape.

2278. That is an affair of internal arrangement, is it not?—I should have thought it was the district surveyor's business to inquire into it.

2279. The district surveyor has neglected his duty, if there are not means of escape in case of fire, has he not?—He might have done it better if he had taken means of ascertaining the difficulties during an alarm of fire.

2280. Do you know anything about the working of the fire brigade before it was put into the hands of the Metropolitan Board of Works?—Yes; I have been connected with it for 16 years.

2281. Did you know it when Mr. Braidwood was manager?—Yes.

2282. It was managed by a committee of members, appointed by each office that contributed, was it not?—Yes.

2283. At a certain time they threw it up?—They intended to throw it up, but not in the matter in which we have done.

2284. They appointed Captain Shaw superintendent, at Mr. Braidwood's death?—Yes.

2285. How long has he been superintendent?—Since October 1861.

2286. And the Metropolitan Board of Works have appointed Captain Shaw as their officer?—Yes.

2287. They could have changed him if they had thought fit?—Yes; but the same arrangements have been in existence since 1832.

2288. Are they not very considerably altered?—No; I do not consider them one atom altered.

2289. You do not know that they are gradually, though of course reasonably, doing their best to extend it in every way, and that one of the reasons why the former brigade was put an end to was because they had not the means of going out to those very districts which you have mentioned?—No; one of the reasons was the growing expense; they did not consider that they ought to put out all the fires for nothing; and under the name of the London Fire Engine Establishment it was, as a private establishment, simply for the protection of the property they insured.

2290. They never made any distinction in that particular, did they?—Just so.

2291. You think that on account of the growing expense they were anxious to get rid of it?—That was one reason.

2292. You say that it is a year and a half since the brigade was put into the hands of the Metropolitan Board of Works, and you do not think that they have gone on fast enough?—No; they had 12 months to think of it beforehand, besides.

2293. But they could not become liable for any expense until they had it under their control?—No; but they might have got a proper report about the water supply, which they have totally neglected.

2294. You have said that the water supply was quite sufficient?—Yes; but I doubt whether they know what the pressure is at different places.

2295. If it is greater than is necessary, so much the better, I suppose; you say in your evidence that it is sufficient and efficient?—Yes; but they have done nothing to help the finding of it.

2296. Do you know that all the fire-engine establishments are furnished with keys of the cocks?—Yes; I have keys myself.

2297. And do you know that the places where the turncocks reside are publicly written up in the stations?—Yes; in some of the stations.

2298. What more could they do?—They have to go for the turncocks.

2299. But if they have a key they can open the plugs themselves, can they not?—They do not know where the plugs are.

2300. Are not the places where the plugs are, publicly written up in the engine-house?—No, certainly not.

2301. Has that been altered, then?—They never were in the stations, and are not now.

2302. Are not the places where the plugs are, perfectly well known?—No; I do not believe that one out of ten firemen knows where they are if they come to a strange neighbourhood.

2303. Is there not a reward for the first engine that gets to a fire?—No; that system is abolished. That has been one of the causes of our engines being so lazy on the road. They used to run at very great speed at one time; but the rewards were taken away by the Board of Works, which was a great drawback.

2304. You believe that all those rewards have been struck off?—I know that they have.

2305. Was that at Captain Shaw's suggestion, or how did it happen?—I do not know at whose suggestion it was.

2306. The Salvage Corps is a private arrangement, is it not?—Quite.

2307. That is to say, those offices who choose to employ Mr. William Swanton may do so, and those who do not may leave him alone?—Just so.

2308. But you think that that should be a public duty whether a man is insured or not?—Yes.

2309. You think the salvage a public duty?—I think that the public have a right to protection by every means from fire.

2310. Is that because there is that halfpenny rate?—No, it does not matter what the rate is; I do not believe they know what protection they get for the fire rate; to me it appears that the great grumbling is that the public get no protection; but if you put an engine in a district, I do not believe that the people residing there would mind paying a higher rate.

2311. But that might be done in due time, might

ight it not?—Just so; but those are the present defects of the fire brigade.

2312. You do not know, in fact, that all those ations are going to be built?—No; I am glad hear it.

2313. If notice of the fact is sent to every estry it is perfectly public, only you do not now it?—I suppose so; but I am not a vestryan.

2314. Mr. *Miller.*] You have mentioned that is not known by the firemen where the fire ugs are?—Yes; that is so.

2315. Would it not be easy to remedy that il?—Yes, by the inexpensive process which I ave explained.

2316. Is it not anywhere actually in operation this moment?—One town, Leeds, has adopted

2317. Is it patented?—No, I offered it to the oard of Works for nothing.

2318. You are not aware that in any town xcept Leeds those marks are put up?—No; ut Mr. Tozer of Manchester said he wished ey would adopt it there, and probably they ill one day.

2319. Mr. *Lusk.*] Is your company a young mpany or an old company?—It is five years ld.

2320. Have you had many heavy losses?—Ve have not suffered at all lately; we only articipated.

2321. Do your losses come from taking bad isks?—I think it would be unfair to the shareolders to speak of that before this Committee.

2322. You said that the water supply was most fficient in London;—Yes, for fire purposes it is ; in 11 cases out of 12.

2323. Has it never come to your knowledge hat engines have had to wait half-an-hour to get supply of water?—Yes, I have waited an hour or a supply, and seen the house burnt down.

2324. Where do most of the heavy fires take place in London?—In Bermondsey, Rotherhithe, Southwark, and the Docks; and even in the City f London we have had some very bad fires.

2325. You say that most of the heavy fires ake place about the centre of London, and yet ou say that the present system is too much cenralised?—Too much in one spot.

2326. But the protecting machinery should be retty near where large fires take place, should t not?—Yes; but if a large fire takes place at Hackney, it is not near.

2327. Can you mention any fire in the suburbs ike the one at Tooley-street?—No, not of that ature; but the pianoforte factory fire at Camden Town was a terrific fire.

2328. But there was not a loss of a couple of millions of money?—No; but we have had worse ires than the one in Tooley-street, for the time hat they have been burning.

2329. You say that the present engines are in he hands of very ignorant persons?—In the hands f men who are not engineers.

2330. I find, from inquiry, that they are a very ntelligent class of men?—Their officers would ay so, of course.

2331. Who should be the judge, do you think, he officers or the outside public; you say that nost of the men are sailors, what reason have ou for saying that?—I know that for a fact; very new hand that I see is a sailor; and ot only that, the Board of Works like sailors. There were formerly a great many longshore men, but the best portion of them have gone. I cannot see why, if a man is a good sailor, he should be a good engineer or fireman; and I say, that he would not be a good engineer or fireman unless he has gone through a great preparation.

2332. Do you mean to say that they do not employ efficient and able men?—Certainly, I do not think they employ men who are proper to drive steamers.

2333. Is that merely because they happen to have been at sea?—No, you might employ tailors; but the great fact is that the steamers are not properly handled.

2334. You think that the Board of Works, as the head of the brigade, is not fit to choose the right class of men?—I do not think that the Board of Works understand it; they cannot devote enough time to it.

2335. Who should be the proper parties, do you think?—I think the police are the best parties.

2336. Would it not be better, on the whole, to have no fires at all in London?—Yes; but if you were to keep an engine next door to some places you would have fires.

2337. You mentioned that at Liverpool they would not employ sailors?—I have asked Mr. Bryce, the superintendent; he does not like sailors, and will not employ them.

2338. When did you see him?—Last October.

2339. Do you think that you know better than anyone else what class of men the Board of Works ought to employ?—No; but a man like Mr. Tozer, the superintendent at Manchester, can quite form an opinion upon that subject, as he was brought up in the London establishment, and he knows the faults of it. Artisans are the proper persons to employ.

2340. You have stated that the turncocks are very often drunk?—I have often found the turncocks drunk.

2341. Have you seen them often drunk?—Yes.

2342. Are you sure that you saw right yourself?—Yes, quite.

2343. Upon inquiry, I find that they are very respectable men; are you aware of that fact?—With the New River men we never had any fault to find, they are the best in London; but there are some companies' turncocks who have nothing to do in the evening, and they will have a little drink. I have found them not particularly sober, and I believe the brigade report will tell you the same.

2344. Do you not think it just as likely that the firemen were a little excited by the fires as that the turncocks were drunk?—Experience will take away the excitement.

2345. Would not the drinking be as likely in one case as another?—If a man was drunk he would not be a fireman very long.

2346. You have said that there are many more fires in London than there used to be?—I said that they were more destructive, and on the increase according to the annual reports.

2347. Are there any particular means which you would propose to adopt to stay that increase?—I would extend the fire system.

2348. You mean with regard to putting them out?—Yes; but while we admit that more than half the fires are fraudulent, I believe if it was known among those wilful fire-raisers that there was a detective fire police, and that they could walk in and inspect any place, that would prevent a great deal of harm; smoking for instance.

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2349. You do not mean to say that the wharfingers wilfully set fire to their property?—No; but it was supposed that the Tooley-street property was burnt down by a man smoking. It would be impossible for the wharfinger to do it, because he is not often on the premises.

2350. Do you say that the American system is better than ours?—They have more precautions against fire; their fire system, I believe, has not worked very satisfactorily, because it is made a political organ; but they have the finest steamers and the best telegraph apparatus.

2351. The loss by fire in America is greater than it is in this country, is it not?—It has been during the last three years.

2352. Therefore it is no example to us, is it?—That does not follow, because fire goes in cycles.

2353. You say that the men who manage the engines are so ignorant that you expect an explosion some day; did you ever hear of any accident?—No, the boilers wear out first.

2354. When you find a class of men managing the engines very well, is it fair to say that the engines are badly managed?—When you see the bearings hot, and the pumps not able to draw the water, and a class of men employed who are not capable of doing the repairs, I say that the engines are not in proper hands, and that they might be worked very much better.

2355. Where do you say that they are improperly worked?—I have seen them worked with only an inch of water in the glass, and some none at all.

2356. Will you mention a case?—It would be ridiculous to go into paltry things like that; it is not my department. I was not aware that I should be expected to bring forward a diary.

2357. You have stated that too many steamers often go to one fire?—In many cases that is so, but in some cases there are not enough.

2358. Who should be the judge of that?—Those who suffer by the fires.

2359. Suppose they are suffocated?—We have nothing to do with life. You might have too few engines at a large fire, while you had too many engines at a small fire. To see an engine leaving Chandos-street for a fire in a back bedroom in Doctors Commons is not, in my opinion, proper management.

2360. But who is the proper party to be the judge?—There is something very wrong in the system of alarms.

2361. With respect to the pouring on of the water, who is to be the judge of that?—The superintendent ought to be the judge; he ought to know.

2362. Or is it the voluntary man who comes to give cheap advice?—The superintendent, if he is capable of judging.

2363. Suppose Captain Shaw is the superintendent?—He might make an error. We have to pay the loss of the insurance, and we are the best judges. The surveyor's report would prove the destruction done by water.

2364. Do you think that anybody who came to the Duke of Wellington might teach him how to command an army?—No, it is quite a different thing.

2365. You say that many insurance companies do not contribute to the Salvage Corps?—No.

2366. How many?—The "Sun" does not, and the "County" has only just commenced contributing. I believe there are six that do not. I call the "Sun" equal to a great many.

2367. You think that there should be a public salvage corps?—Certainly.

2368. Do you think the public should pay for a salvage corps to save the property of the insurance companies?—Why should they pay for the fire brigade for the same purpose?

2369. But the insurance companies pay part of the expenses of the fire brigade?—Yes; but I do not think they pay enough for the services done; the public question is, not saving the goods of the insurance companies; it is a great matter whether the goods are taken out of the house before they are burnt, or whether they are left in the house to be burnt. If a person is uninsured, then that person receives the benefit of both branches, and he pays for it.

2370. You have mentioned that you thought these things are better managed in Manchester, Glasgow, and other towns, than they are here, did you not?—They have the fire brigade on very different systems there.

2371. Are the premiums any cheaper there than they are here?—The Manchester premiums are cheaper.

2372. Do the companies take risks at a less price?—That is a question entirely dependent on the risk. The premium for a Glasgow warehouse would be about 7*s.* nominally, and then they put on an extra amount for other hazards like other places. We have no classification of warehouses here; a Glasgow warehouse is so much larger than a warehouse here, it is reckoned by the superficial feet, and if it contains more superficial feet it is not dearer.

2373. Lord *Richard Grosvenor.*] You have stated that the fire engines are very lazy on the road now?—Yes. I have passed them with my engine, and they do not go at half the speed they used to do; they have not the same incentive to go quickly that they formerly had. I have had firemen complaining and telling me that they do not take the same interest that they used to since the reward was taken away; it is 10*s.* a week out of their pockets.

2374. Will you give me the name of any such fireman?—No; it was a privileged communication.

2375. Was he a man who is in the brigade now?—That I decline to answer; it is manifestly unfair.

2376. You have said, that in case of the fire in Doctors Commons, the engines travel from the West End?—Yes; the Chandos engine met with a serious accident on that occasion.

2377. When was that?—When the engine ran into the letter-box in the Strand.

2378. Do you know what district Chandos-street is in?—That is in the new district; the B district.

2379. You say that there are 24 men in Watling-street, who are kept there for the protection of property; do you think that is unreasonable?—I know no reason why there should be so large a number.

2380. Does it not strike you that there should be one station in London where young men should be trained?—Certainly; but not at the expense of the insurance companies. The only training would be by experience at fires; no amount of talking would make a man a fireman.

2381. You think that such a thing as engine driving requires no education?—I should employ a class of men that did not require such education; you can get engineers at so much per week, which

which would be saved over and over again in the price of oil.

2382. In the same way, I suppose you would have soldiers educated in actual battle?—That is a different thing; here, if you make false moves, the companies have to put up with the loss.

2383. The young men must be trained some how, must they not?—Yes; but they go out faster than they come in.

2384. Is that your opinion, or is it a fact?—It is a fact; I can hardly recognize an old face in the brigade now; they have nearly all left.

2385. *Chairman.*] Have you anything to add to your evidence?—No, I think not at present.

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Mr. Sampson Low, Junior, called in; and Examined.

2386. *Chairman.*] You are Secretary of the Royal Society for the Protection of Life from Fire, are you not?—Yes.

2387. How long have you been in that position?—For 24 years.

2388. I believe that in the year 1862 you gave evidence before a Select Committee on Fires in the Metropolis?—Yes.

2389. Do you adhere to the evidence which you then gave?—I have looked over the evidence recently, and I can confirm most of it.

2390. We will hold that evidence as given to this Committee also?—If you please.

2391. Can you tell the Committee what is the average number of night fires attended by your fire-escape conductors in a year?—Six hundred.

2392. What per-centage of those fires involved danger to the inmates generally?—If the danger is considered imminent, I should confine it to about six fires in a hundred, but it would be safer to say one in 12.

2393. What are the number of lives saved annually by the exertions of the fire escape conductors?—About 80 at the present time.

2394. But the number of fatal fires in London during the year is much larger than can be taken into account by your Society, if you include, accidents?—If personal accidents are included, from such causes as persons reading or smoking in bed, and wearing apparel or crinolines taking fire; but I am only taking into account houses on fire.

2395. But taking accidents from inability to escape from houses on fire, what would the average be?—I should say 12 or 14 deaths occur annually at the present time; either in districts without the society's fire escape stations, or otherwise beyond their control of result.

2396. Could such cases have been averted by keeping a domestic fire escape in the house?—I think not. I have found that where there has been loss of life it has resulted from suffocation; the persons who have been in danger have been incapable of making any exertion themselves; again, the domestic fire escape would require to be kept in the very chamber where the person is who is in danger.

2397. Are you aware of any contrivances by which people may be saved from suffocation in smoke?—Some of my men have had under trial a respirator, which I believe would enable them to remain a long time in smoke; but they find, in the use of the respirator, that it requires too much forethought and care to adjust it, that most of them prefer relying on their own resources, and taking their chance of the danger of suffocation, to losing a single moment in adjusting the respirator.

2398. Whose respirator is that?—An invention of a man of the name of Bradbrook.

2399. Have you ever heard of Dr. King's Respirator?—It is nearly the same as that I refer to.

2400. But the one I produce does not require any great trouble to put it on, does it?—It requires a man to think of putting it on; the danger to life is so imminent that sometimes a man will not even wait for his wheels to be scotted, or for the head iron of the escape to rest on the house; he will run up the ladder like a cat. I question much whether an experienced fireman will care for the respirator; he will treat it as a fancy thing; he will say, "I can live quite long enough in the smoke to save life."

2401. Do you think it would be worth while to call the attention of private individuals to that respirator?—I will quote the experience of one man who has had much practice in saving life, and in attending fires with a great deal of smoke; I refer to my man at the Whitechapel station: he has had one of those respirators in his possession for seven years; he has only once had it in use, that I can remember; although he has it constantly in his watch box, or in his pocket, yet he rarely if ever wears it, though he has saved 150 lives, during the 15 years that he has been with us.

2402. That is the fault of the man not putting it on, is it not?—It proceeds from a conviction of its practical inutility for enabling him to save life. It may be useful where a person wishes to remain in smoke to obtain the command of a fire in extinguishing the flame, or for any special service of search; but, with regard to the rescue of life, that is so instantaneous a question, that if the momentary opportunity is allowed to escape, in rendering assistance, no mere endurance of smoke will enable him to save another person. Then, again, it affords no relief from an intense scorching heat.

2403. Suppose the case of a man at the top of a house, not a fireman or a fire-escape man, but a private individual, and a fire takes place; if he tries to make his escape by the stairs, but the volumes of smoke are so great that he is forced to go back, do you think that a contrivance of this kind would not be of use to him?—I question it very much.

2404. What are the causes, generally, of death from inability to escape from a house on fire?—I think they may be generally traced either to the absence of a fire-escape station in the neighbourhood, or to the late period at which the call is communicated to the fire-escape man. We can guarantee the immediate attendance of a fire-escape man with his escape, but we cannot guarantee the receiving by him of a call to the fire, and that has been our great hindrance.

2405. You sometimes give the men prizes for being promptly on the spot when a fire takes place, do you not?—The fire-escape men are with their escapes throughout the night. They are liable to visits from their inspector at any hour, and occasionally they have test calls, and prizes are given to those who can start the quickest.

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The men who take the prizes start in from 10 to 20 seconds. The average starting of the whole force is 40 to 50 seconds, according to the time of night and the weather. If very high, the wind is an impediment to their going readily through the streets; but the average period rarely exceeds 45 seconds after receiving the call; that includes the unfastening of the escape, the man putting his helmet on, lighting his lamp, and everything included; it may be put down at an average of from 10 to 40 seconds per station.

2406. To what do you refer the delay that arises in the fire escapes making their appearance on the occurrence of a fire?—After any fatal fire we have a very careful investigation into all the circumstances, and we generally are forced to the same conclusion, that there has been 2 or 3 minutes, or even half a minute, or a few seconds lost in sending the call. I have traced this to various causes, but I think that the difficulty of a standing order with the police, with regard to calling the fire escape in all cases, has interfered more with our arrangements than anything else; it is left too much to a man's discretion; he considers whether the fire escape is likely to be wanted. We have pressed upon the Police Commissioners, at repeated interviews with them, the necessity for an absolute order, and that the second constable, at all events, in arriving at a fire, should have a distinct order to go for the fire escape. That would remedy much of the delay, and would secure, at all events, attention to the calling of the fire escape.

2407. As life is more valuable than property, I presume what you mean is, that the fire escape should be sent for before the fire engines are sent for?—I should certainly like to get that observed; but the cry is so long established, in case of fire, "Run for the engine," that the first impulse is against us. It is so habitual to think of the engine in preference to the fire escape that the fire escape it is never thought of until it is absolutely wanted, and when it is wanted it ought to be on the spot.

2408. And you attribute the loss of life to the consequence of that delay?—I do.

2409. When a fire takes place, in the anxiety, perhaps, to save the people in the house, people adopt certain means which are often destructive to life and property too, such as breaking open windows and doors, which increases the fire?—Yes, I can recall many such cases; the mere disturbance of a shutter will cause a draught and send the flames rapidly up the staircase, and, of course, cut off escape. It seems a hard thing to say that a man should not be alarmed the moment danger is perceptible; but I am persuaded, from experience, that it is the worst thing to do unless he has the means of escape. It seems almost barbarous to hesitate a moment in alarming the inmates; but in many cases where they have been alarmed, when the escape below is cut off, the the manner in which they have been aroused has only aggravated the danger. At a recent fire there were 12 to 16 persons in the house, whose alarm and distraction were increased by the measures taken in arousing them, without a chance of their making their escape by the stairs, although it was a corner house; the very first act was clearly to send for the fire escape, which in this instance is under 300 yards distant. Possibly two minutes were lost in sending for it. It was the means of saving several, but it might have saved every one.

2410. Is there anything that you could suggest in the construction of houses, by which individuals in the houses could make their escape out of a fire, without the assistance of the fire-ladder?—That only could be a question in the first building of the house. My attention has been devoted entirely to providing means of escape, externally, to houses as they are at present built in crowded, narrow streets; houses with only one staircase. The most practical thing that suggests itself to one is that of having balconies; but, then, the houses would require to be of a uniform height, with the windows all to range.

2411. Now, in the case of large lodging houses, some of which have been erected in London, do you think it would be an advantage, or, rather, would it not be well to make it imperative, in such houses, that some proper means should be erected to enable people to escape from fires?—Undoubtedly, by all means.

2412. Your society is entirely supported by voluntary subscriptions?—Yes.

2413. Has there ever been any attempt to put the fire escapes under the management of the Metropolitan Board of Works?—There are negotiations now pending for carrying out the provisions of the last Metropolitan Fire Bill, for the fire escapes to be combined with the fire engines. So long as the fire engine establishment was supported by voluntary efforts (which it was practically until the year 1866), the fire insurance companies defrayed all the expenses, and therefore it was pretty nearly in the same position as the fire escapes; but directly the fire engine establishment was made a Government department, it placed the fire escapes at a disadvantage, both for enforcing calls by the police, and in getting money from the public, because it is very natural for people to assume that by that measure "for the protection of life and property" (as the Bill is worded) all the proper arrangements should be under the Metropolitan Board of Works; therefore, we contemplated that a great many difficulties would ensue in carrying on our operations. We thought, when the Board of Works took charge of the fire engines, we should find it very difficult to carry out as efficiently as we had up to that time the fire escape system; therefore we expressed our readiness to the Board of Works that they should take charge of the fire escapes, and, as our only object was to make it as complete as possible for the public service, that the two establishments should be combined; I think it is very likely that will ultimately be carried out. The main question is undoubtedly to provide for the present fire escape force. I have 100 men in the fire escape establishment, and, as I represented to the Board some little time back, were I under contract to carry on the whole work for another 10 years, there are not 10 of my men whom I should like to part with; they are all picked men who have established characters and thoroughly experienced in their work, and I look upon it that our force is as effective as the men of a fire escape establishment can be. We depend more upon the men than the escape; a fire escape may fail at a fire, but a man of real judgment and good training will save life under circumstances that might preclude the use of the escape.

2414. You stated in the year 1862 that the number of stations you had then was 75; has there been any increase?—Yes, we have now 85 stations

tations and 100 men altogether, including inpectors and supernumeraries.

2415. When you say "station," do you mean hat there is a fire escape at every station?—A ire escape, with supplemental ladders, a watch ox, a ring sunk into the kerb, and the watch ox is furnished with a crowbar, and various ther implements necessary for the man, who has lso his lamp. He goes on duty from 8 o'clock n the winter until 7 o'clock, and in the summer ime from 9 o'clock until 6 o'clock.

2416. What is the cost of keeping up the whole of your stations?—About 100 *l.* per annum er station.

2417. £. 8,500?—Yes.

2418. Do you receive any assistance from any ublic bodies in London?—There are several arishes that contribute. Islington pays us for ive stations nearly the whole of the expenses, and hat debars us from seeking any voluntary conribution within the parish. We have been glad o undertake the fire escapes without seeking ny; our only views being to cover our exenses.

2419. Mr. *Tite.*] A good many parishes conribute, do they not?—I think at the present ime there are 108 City and Metropolitan parishes hat contribute to our funds, which have joined us ne by one at various times.

2420. They contribute, some 5 *l.*, some 10 *l.*, nd some 1 *l.* 1 *s.* a year?—Yes.

2421. *Chairman.*] Do they contribute 500 *l.* n Islington?—They contribute 400 *l.* a-year. We take the five stations at 80 *l.* a-piece; it does ot quite come up to the actual cost, but the ifference is paid out of the general funds; we ave not made any distinction; it has gone to he general account.

2422. Mr. *Agar-Ellis.*] Have you any suggesions to make to the Committee with regard to etting the call more rapidly?—I am very anxious hat there should be a rule with regard to the police alling the fire escape; that the second constable rriving at the fire should go for the fire escape ithout any discretion whatever, whether the scape is wanted or not. In nine fires out of ten is true it may not be wanted, but I would ave it sent for to every fire. The risks are o momentous that I would not have any hesitaon about it.

2423. There is nothing else whatever that you an suggest?—Nothing more than what we are oing; that is to say, advertising our scale of ewards. Our notices of scale of rewards are rculated amongst the police, at police stations, estry halls, and public-houses, and are hung up ery publicly in the streets. We follow the me course as the Royal Humane Society ke with the drags. In the dead of the night, owever, we are dependent on the police. We nd very little difficulty in the case of a police onstable who has seen a great many fires, ecause he knows what to do; but it may so appen that a man who was at the plough yesrday may be in the police force to-morrow, and e may be suddenly called to a fire; he hardly nows the difference between an engine and an cape.

2424. You have stated that the average time it ok the men to get the fire escape ready was om 10 to 40 seconds, and that that included the ghting of the lamp?—Yes.

2425. You do not have the lamps always lit?—No, the men have lucifer matches in their belts, and we find it takes about four seconds to light the lamp.

2426. Would it not be better to have the lamps lit?—The expense would be about 3 *s.* a week extra, and the lamp is not so good for travelling after it has been long lighted as it is after an immediate lighting.

2427. You would rather not have it lit?—We would rather have a start with it fresh trimmed than when it is nearly on the point of expiring.

2428. Lord *Richard Grosvenor.*] There is perfect harmony existing between the fire-escape men and the fire brigade men, is there not?—Yes, and also with the police constables; there is no rivalry.

2429. Except an amicable rivalry to get to the fire first?—Exactly.

2430. The fire-escape men very often help in extinguishing fires, do they not?—Yes, the fire-escapes are often of great service for the brigade to take their hose up the ladders, and that affords another inducement to the Board of Works to combine the two services. The fire escape is a valuable auxiliary to the fire-engine.

2431. Mr. *Lusk.*] Are there any difficulties in your present system of management that you would like to remedy?—Nothing but what might be remedied by a body who have a complete command of funds. There are various little matters in the way of adding to the efficiency of the whole force, which we hesitate about occasionally for fear of not having the necessary funds. Everything is now in a very efficient state, but still with a little more expenditure there might be some improvement.

2432. Do you think it would be better for the public that the two brigades should be combined?—All things considered, I think so, and I will give you one reason. The fire-escape conductors at the present time are paid only for night service. Now, although we do not advise their having other employment during the day, we know that they do undertake jobs which are calculated to interfere with the exercise of their full energies at night. Some of our best men agree that the night work is quite enough, but we cannot prevent them doing messengers' work, window cleaning, &c., if they desire to do it; now, for their full efficiency by night they ought to have no day employment, and I presume that if they were in the service of the Metropolitan Board of Works they would be wholly employed in the business of their office. The Board will also, I have little doubt, be able to provide for the attendance of the fire escapes, if required in the day time. Our Society only provides for night fires.

2433. You know that some institutions would be better supported by depending on voluntary aid; but you think that your institution would be better combined with the present existing fire establishment?—Yes, for the very same reason that it was considered the fire engines would work better in the hands of the Metropolitan Board of Works. I do not consider that the two interests should continue separate. My opinion is, that the enactments of the recent "Metropolis Fire Bill" render it now undesirable that there should be any distinction made between the support of arrangements for the protection of life and property.

2434. You think that the fire escapes would be a useful auxiliary to the fire engines?—Yes, undoubtedly.

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2435. Do you know anything about the country?—I know several of the large provincial towns which have had fire escapes from our builder, Mr. George Clarke, who has very much improved them, under the direction of the committee. He took a prize at the last Exhibition, and since that time he has had numerous orders from Manchester, Liverpool, Birmingham, and Dublin, and other places.

2436. Do you think that any fresh law that might be passed on these subjects should apply to county towns as well as London?—I can hardly say; I have confined my attention to London.

2437. Lord *Richard Grosvenor.*] What class of men do you draw your men from, principally?—A great many of them are sailors, who have been in the navy or merchant service. I do not think that we have more than one soldier in the whole number, but I think that three-fifths of them have been sailors.

2438. You select them by reason of their being active men, accustomed to discipline?—Exactly. We choose them from the age of 21 to 28, and at the present time they are a very desirable body of men.

2439. You think that a young sailor, a good active intelligent man, can be trained to do anything?—Certainly. I think he is the most available being in existence.

2440. Mr. *Lanyon.*] What wages do you pay your men?—From 20 *s.* to 25 *s.* a week. It is a low rate of wages, but it is arranged according to our resources, and that is one point in which the Metropolitan Board of Works will improve the service, and by so doing it will retain the men better. We are now often losing good men by their obtaining better appointments; because every one knows that they are picked men, under good discipline, and of first-class character. They obtain good situations at the docks and as porters at insurance offices. We are constantly getting men's resignations on account of their obtaining situations at 35 *s.* a week. A man cannot resist that.

2441. You stated that the number of lives generally saved in a year was about 80?—Yes.

2442. Can you give me an idea of the average loss of life?—There may be three fatal fires in the course of the year, that is, from which the inmates are unable to escape; this is irrespective of all personal accidents.

2443. You mean fires attended with loss of life?—Yes, fires attended with loss of life. The number of lives lost at these fires may amount altogether to 12 or 14.

2444. Mr. *Tite.*] You find the best will on the part of the Metropolitan Board of Works to unite with you in a practical arrangement, and you hope and believe that it will be brought to pass?—Yes.

2445. Mr. *Turner.*] Are there any fire escapes except in London?—Yes, there are fire escapes in Manchester, Liverpool, Portsmouth, Plymouth, and Dublin, and many other places; at Dublin they have got six.

2446. *Chairman.*] Have you anything to add to your evidence?—No; I will only hand in our printed "Directions," and one or two other paper that may be of public utility.—*Vide Appendix.*

Mr. Percy Matthew Dove, called in; and Examined.

Mr. *P. M. Dove.*

2447. You are Manager and Actuary of the Royal Insurance Company?—Yes.

2448. How long have you been connected with that company?—From the commencement in 1845.

2449. Is it your experience that there has been a large increase in the number of fires since your company was established?—There has been a very considerable increase within the last two or three years.

2450. Can you give the Committee the number of fires in which the Royal Insurance Company was interested in the year 1865–66?—Yes; 3,036.

2451. Did you ascertain the causes of all those fires?—No; only about 57 per cent. of them; we ascertained the causes satisfactorily of 1,732, or 57·05. There were 1,176 "causes unknown or unsatisfactory," being 38·73 per cent.

2452. You have reason to believe that a great part of those were suspicious fires?—Very suspicious.

2453. Were any of those incendiary fires?—Yes. I have under the head of "suspicious," which indicates almost a certainty, 111, which would be nearly 4 per cent.; and then under "incendiary," 17, which would be ½ per cent. Or, to recapitulate, "causes satisfactory," 1,732, which is 57·05 per cent.; "unknown or unsatisfactory," 1,176, which is 38·73 per cent.; "suspicious," 111, which is 3·66 per cent.; "incendiary," 17, which is ·56 per cent.

2454. Then what proportion of the total amount paid was due to those causes which were satisfactorily ascertained?—The amount paid where the causes were traced was 23·94 per cent. of the total; "unknown or unsatisfactory," 61·09.

2455. "Suspicious," how many?—10·76.

2456. And "incendiary"?—4·21.

2457. But I suppose that a great many of the unknown fires you believe to be suspicious?—Yes, a very large proportion of them.

2458. So that we have 61 per cent. of the whole amount paid for losses belonging to unknown, unsatisfactory, or suspicious fires?—Yes.

2459. Can you tell the Committee what is the proportional amount of losses of your company for some years back?—I can give, for four years, a comparison of the results of the business of the "Royal," which will exhibit the increased ratio of losses. In the year 1862 the losses were 56·19 per cent.; in 1863 there were 49·19 per cent.; in 1864 the losses rose to 78·9 per cent., and in 1865 the losses were 76·9 per cent.

2460. You would say, from that, that an insurance company's business is far from being a profitable one?—It has certainly not been profitable for the last two years.

2461. Is it your belief that that is the case with other companies?—I believe that if a similar return were given by every company, the aggregate would exhibit as great a contrast, while in many cases it would be considerably more.

2462. Are there any means that you could suggest to us for preventing this extraordinary increase of fires in the country?—I have no doubt in my own mind with regard to the great necessity of establishing a tribunal of some kind for inquiring into the causes of fires.

2463. Do you think that such a tribunal should be

e kept up by the insurance companies, or do ou mean that it should be a public tribunal?—t is more a question for the public, because the nsurance companies can provide for any contin-ency by an increase of the rate of premiums, hereas the public can only look to an Act of ne Legislature for the reduction of such a grow-ng crime as incendiarism.

2464. Of course the increase of rate is really public question, inasmuch as it would be really ne increase of a tax on prudence?—Yes.

2465. Are you aware of a public investigation f fires having taken place in other countries?—es; the company whom I represent has estab-shed agencies in various parts of the Continent nd in America; and in all those places the egislature, more or less, takes cognizance of res quite irrespectively of the insurance com-anies.

2466. But even in this country is it not the ct that there is some inquiry made into the auses of fires by the police?—If so, it is a mere oluntary act. I think they never move except here the suspicion is very great indeed.

2467. But we have reports issued every year om the Metropolitan Board of Works giving s the causes of fires which take place in the etropolis; have you anything of that kind in iverpool?—Yes; but it is a voluntary act on ne part of the insurance companies.

2468. Is it done in London by the insurance mpanies?—Yes; by the salvage committee. he police, however, give ample statistics on erything.

2469. Can you give the Committee some of the auses of the increase of fires of late years?—I ink that a great many of them are mysterious, ut there are some reasons which might be adduced. think that there is a community or fraternity criminals consequent on the impunity with hich the crime of arson is committed; that is ne very material cause. It affords to the dis-onest the easiest escape from pecuniary dif-culties, and the readiest method of getting oney by fraudulent insurances. The criminal nows that the present provisions of the law are sufficient.

2470. That community or fraternity of criminals now that there will be no investigation into the auses of fires in their houses, and therefore they epeat the crime?—Yes, they know that practi-ally the chances of their being detected are ery small indeed.

2471. One of the great advantages of having judicial investigation would be to do away with at cause of fires in particular?—Undoubtedly; en there is the imperfect construction of build-gs, especially in towns where there is no Build-g Act.

2472. Do you know how many towns there e which have the Building Act?—No.

2473. You have one in Liverpool, I suppose?—Yes.

2474. Does that refer to private buildings?—o, only warehouses.

2475. Is there any Building Act applicable to anchester?—I am not aware. Another cause the imperfect and improper storeage of goods, d consequent fires from spontaneous com-stion.

2476. You have had very serious fires in Li-rpool; do those fires ever proceed from malice?—A great many of them do. I could cite one or o cases under that head. The large fire which took place in December 1866, which was in Jeffreys', Compton House, was a very enormous affair, involving about 200,000*l.* worth of property. In that case the lives of considerably more than 100 persons were endangered, living on the premises, and from the first strong suspicion existed that it was caused by incendiarism; but no proper inquiries could be instituted, and the matter was allowed to die out, until a few months afterwards a youth was taken up for robbing the premises, and he confessed that he had fired them. Mr. Jeffreys, the proprietor, told me that within two or three days of the fire, to use his own expression, he "spotted this individual;" but he had not sufficient evidence to enable him to take any steps in the matter; therefore, if it had not been for the young man confessing it, it would never have been found out. Mr. Jeffreys stated that he was quite satisfied that if there had been some means of judicial investigation they would most probably have found that fact out within a week of the fire.

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2477. Was that a case of malice, however?—It is a difficult thing to account for it; he himself said that it was an unaccountable impulse; that he was going down stairs with a light, and that he threw the light among the papers; but you can hardly credit that statement.

2478. Are you aware of any cases where premises have been fired with the design of concealing robbery on the part of a servant or warehouseman?—I believe that is a frightful source of fire.

2479. And a frequent source?—And, I think, a frequent source, although that must be merely conjectural in the present state of things. I believe that a great number of the large fires in Liverpool were occasioned by warehousemen having robbed their master, and when the time came for taking stock, the best method of getting rid of the difficulty was to fire the premises. There was a case of that sort since the fire at Compton House, in Harboard's warehouse, in Liverpool, where a fire took place, and a man was suspected, and a reward was offered by the officers, which set the detectives on the scent; they had this man up, he confessed his crime, and he had 10 years' penal servitude.

2480. Do you not think, if we had a judicial investigation into the cause of fires, it would be the means of discovering, not only the crime of incendiarism, but other crimes which incendiarism conceals?—It would be most valuable in many respects, because it would discover cases of spontaneous combustion, and evidence would be given by chemists with regard to the affinities of different articles.

2481. It would be the means of discovering the motives of incendiarism, at all events?—Yes.

2482. Are you aware of any fires having taken place from the careless use of lucifer matches?—Frequently, I believe.

2483. Are there not certain regulations among the proprietors of warehouses in Liverpool, with regard to the use of lucifer matches, and as to smoking?—Yes; the men are punished by the bye-laws.

2484. We have had it suggested that there should be a tax on lucifer matches; what is your opinion with regard to that?—I think it would be very desirable that a tax should be placed on those lucifer matches which will ignite by any friction whatever, and that you should not put

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a tax on those lucifer matches which ignite only on the box.

2485. Have your insurance company had any cases of decided incendiarism, where the perpetrators of the crime were convicted?—Yes, we have had cases of that sort. We had a singular case in Liverpool of a person who had a shop at Egremont; he came to insure his property with us for 600 *l.*, we found that there was only about 200 *l.* worth of property, and we declined his insurance. Some time after that he came to us and offered us 300 *l.*; we looked at it, and as he had a respectable shop in Liverpool (this being on the other side of the Mersey), and he stated that he was going to move a portion of his stock to that shop, we took it, and a short time after that the place was destroyed by fire. We ascertained that he had gone to another office the day before he came to us, and assured for 700 *l.*; he made his claim for over 1,000 *l.* But in the meantime we suspected that it was an incendiary fire, and we took possession of the premises; we found all the means of setting a place on fire; a board, with a candle placed in it, paper with resin, and matters which would easily ignite. He tried to show that the papers had lain there a considerable time; but, on examination, it was found that the newspapers were of dates not more than two or three days before the fire, and one was the day of the fire. That man was tried, and sentenced to penal servitude; that was a case of actual incendiarism. We have another case now, where a man is committed for trial for arson; he is not yet tried, but it is likely to turn out one of the most interesting cases that we have had, and will certainly come under the head of the fraternity of crime. He has three brothers; one of the brothers has had two fires in one town, another has had a fire in another town, the third had a fire in another town, all of which were insured in other companies, and this fourth brother had an insurance with us. He made a claim for the full amount; he sent, as proof of his claim, two receipts, one for about 600 *l.*, and the other a little over 100 *l.*, without any addresses of the parties; we asked him on what bank the cheque had been drawn; he said that he paid it in gold; we traced the case of the 100 *l.*, and found that one of his other brothers had bought an inferior article to the amount of about 20 *l.* in a town in England, and transmitted it under a feigned name to Birmingham, received it under a feigned name at Birmingham, and then transmitted it under his own name to the party who had the fire. There can be no doubt that he had induced the seller to wrap those goods in parcels, intimating that they were the finest goods, and then the finest goods' claim was made on us; whereas, in the *débris* there was not a particle which would intimate that the finer article was on the premises. He likewise claimed 600 *l.* for certain machines that he used in his trade, and we have very strong evidence to show that they were made for about 6 *l.* or 7 *l.*, though he charged 120 *l.* a-piece. In the previous case the man and his accomplice have been sentenced to ten years' penal servitude, and in the last case the man is committed for trial, and will be tried in a short time.

2486. I believe that the insurance companies have very strict rules with regard to the classification and storeage of goods?—We are desirous of getting a strict rule with regard to the classification and storeage of goods as much as possible; we have it in a great many places. In London there is a great improvement, in the docks, and in Liverpool, by the bye-laws; there are certain goods which cannot be stored together.

2487. But those rules are not sufficiently stringent, are they?—No.

2488. Are those rules municipal regulations?—Yes.

2489. Will you mention some two articles that are forbidden to be stored together?—Saltpetre may not be stored except by itself, and in certain kinds of warehouses.

2490. And any one transgressing that rule is liable to a penalty, I suppose?—Yes, by those municipal regulations.

2491. There is also the Petroleum Act, by which no petroleum can be stored under a firing point of 100, is there not?—I do not recollect.

2492. You have stated the necessity of our having an investigation into every fire; by whom should that investigation, in your opinion, be initiated?—My own impression is very strong in favour of the coroner, in consequence of his court being a movable body; and if you have any law at all it should be one which could be applied to every little town, however remote. It is evident that, in the case of a fire, the great desideratum is promptness of action, and on the very spot where the fire took place, so that the *débris* could be seen, and possibly the evidence of guilt might be found, as in the case which I have cited, on the spot. If any time were allowed to transpire, the evidence might be removed, or if the investigation were to take place anywhere but on the spot there would not be the means of investigating the cause so thoroughly.

2493. Supposing the coroners had that power, should you say that they ought to investigate the causes of every fire?—There is a difficulty about that, because there are so many fires, but I do not see how it can be so well accomplished unless he had the power to investigate every fire, and that at all events two or three householders or the landlord of the house, or any person pecuniarily interested (which would include the insurance offices), should have the power of calling an inquest if necessary.

2494. Would it not be an expeditious way of investigating into fires, to allow the fire brigade or the police officers to take the initiatory steps in the inquiry?—Certainly that would be the proper method in large towns.

2495. They only reporting suspicious cases to the coroner?—Yes, that should be done.

2496. I suppose that would meet your views of there being an investigation into the cause of every fire?—Certainly, in order that it should not be invidious, and so that every fire should be in some way investigated; but when the cause was well known it would be a mere formality.

2497. Some of the witnesses have suggested that it would be advisable to have the police magistrate investigate into every fire; what is your opinion of that?—That would not answer so well, I think, because the fire might be in a remote town, and he might not be on the spot.

2498. That would do very well for large towns, where the magistrates are always sitting?—Yes, but after all, as the coroner is the officer appointed by the old law to investigate those cases, it would only be recurring to a system which has become obsolete.

2499. Is there a law in Liverpool inflicting a penalty for a chimney on fire?—I do not know; but I have no doubt there is.

2500. We

2500. We have had it suggested before this Committee that the Board of Trade is the proper tribunal to inquire into the causes of fire; what is your opinion of that?—I think it would be cumbrous, and I do not know how it could be applied; of course it should be general, and in the case of a loss of 50 *l.* at the Land's End it would be difficult to get such a body as that to act; besides, it would be very expensive.

2501. Some of the witnesses have suggested the county court?—That is often 10 or 15 miles from the spot. The great difficulty is to get some one who can investigate the cause of the fire on the spot.

2502. You have devoted a great deal of attention to the subject of an investigation into the causes of fires in foreign countries?—We have agencies in foreign countries, and we do a very large business in America and the United States, where there are law officers appointed for the purpose of investigating into the causes of fires. There is a Fire Marshal in the State of New York; hitherto, he has been appointed by the City of New York, but in order to give him an additional power, there is an Act before the Legislature there for the purpose of getting him appointed by the State of New York, which would enable him to have much higher powers; they have seen the necessity of it.

2503. Are you aware what are the results of the appointment of that Fire Marshal?—They are very satisfactory.

2504. Can you give the Committee any statistics on that point?—No; but I can tell you from my correspondence with New York that it has been considered to be very beneficial.

2505. Do you know whether they have any regulations of that kind in Canada?—I think they have.

2506. You are aware of the results of the investigations on the Continent?—In places where we have agencies, in every one of them, more or less, the fires are inquired into quite irrespective of the insurance companies. In Rotterdam as soon as a fire takes place the police go into the premises, and if they find anything suspicious the insured person is arrested and brought before the tribunal. In Amsterdam in every case of fire a police and military force are in attendance, and act in conjunction with the chief fire master. In Antwerp likewise should there be any suspicion of incendiarism, or any irregularity, it is reported to the officers of justice, and they investigate the matter; and if unfavourable, the parties may be imprisoned and tried. In Hamburg when a fire occurs a body of police attend; the approaches to the street are shut; and if any suspicion arises the master of the house is taken into custody; if he is of the higher class and well known, bail is accepted; nothing is removed without proper authority. In Berlin they are still more stringent; property when proposed for insurance is first inspected by the police authorities, who certify that it is not over valued, and every agent has to submit the offer of insurance to the police authority before he can accept it. The Prussians consider that by preventing over insurance they check the tendency to incendiarism; in case of fire the place is visited by a magistrate, and if there is any suspicion the party is taken up and tried.

2507. Have you any information to give to the Committee about the mode of proceeding in France?—In France, I do not know individually, although I have no doubt it is so, but I do know that a person is responsible, to some extent, for his neighbour's property, in case of fire.

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2508. One of the results of incendiarism is an increase in the rate of premiums?—The premiums have been, in some instances, increased very considerably; and even though it is not necessary to suppose that incendiarism is greatly on the increase, to show how it affects the premium upon insurance, yet, if we were to take the risk on ordinary house property, and took any amount as covering the risk, say 9*d.* per cent., which would imply one fire out of every 2,666 cases. If one solitary individual of that number insures for the purpose of burning his house, and carries out his intention, that one act increases the risk for insurance by 100 per cent.; and even if you were to suppose that only one out of 10,666 set his house on fire, that would increase the ratio of the risk by 25 per cent.; consequently it is very clear that incendiarism has necessitated a large increase of premium; and if incendiarism could be put down, the public would be benefited very considerably in the reduced rate of premium which must follow.

2509. Do you think that the insurance companies should be charged for the expenses of inquiring into fires?—I think it ought not to be so, because the whole object of the insurance companies is to charge a rate of premium according to the circumstances.

2510. But if an investigation was to have the effect of lessening the number of fires, the insurance companies are interested, are they not?—They would do their part by reducing the premiums.

2511. Mr. *Horsfall.*] From the evidence you have given, I apprehend you have no doubt whatever of the beneficial effects which would result from an inquiry into the causes of fires?—Not the least.

2512. Has the company which you represent expressed any such opinion?—They have expressed an opinion in the report of the directors, which I will read: "The directors would draw brief attention to the favourable effect which would be produced if a judicial investigation were permitted by legal authority, on the occurrence of fires. It is satisfactory to know that a wide-spread opinion has recently arisen throughout the country that a measure of this character would be attended with the happiest results. Such a system exists more or less in many of the Continental cities, and the natural consequence is that the ratio of fires in several of them is far less than in the cities and large towns of this kingdom, and that the protection of insurance can therefore be obtained at a much less rate of premium. This is, however, more a general than an exclusively insurance question, as it affects the whole of the nation. A well-digested Act of the Legislature for this purpose would materially increase the general security of life and property, and would ultimately tend to reduce the premiums for insurance to an extent which, unless the subject were duly weighed and examined, would scarcely be imagined." I believe that that is the opinion of the whole body of the shareholders.

2513. You spoke of a tax on lucifer matches; I apprehend that your view would be met by requiring the parties who sell them to have licenses?—Yes, that peculiar kind of lucifer match;

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match; but I think, to make it effectual, you should give encouragement to other lucifer matches.

2514. You have quoted two cases of incendiarism?—Yes.

2515. Are those exceptional cases?—I think not. I think the discovery of the crime, up to conviction, is very rare, but I believe that one crime fully discovered in insurance matters, more than in anything else, almost proves a large number of crimes that have not been discovered. There is no crime more easy to commit, nor more difficult to detect.

2516. Have cases of spontaneous combustion been frequent?—Mysterious cases have occurred, which we attribute to spontaneous combustion; but I believe that if an investigation were entered into, such as has been proposed, a great many of those cases would be discovered to be cases of incendiarism, notwithstanding I have no doubt there are many cases of what is called spontaneous combustion; for instance, from wet cotton placed on a floor which has been saturated with oil.

2517. In speaking of the proposed investigation, you expressed an opinion that it would be desirable that an inquiry should take place into the cause of every fire; do you think that the requirements of the case would be met by inquiry, such as at present occurs in case of a death under suspicious circumstances?—Yes, I think some means of that nature might be suggested; if a certificate were given by the head of the police, that he believed a fire to be accidental, and that there need not be any further investigation, that would be sufficient.

2518. Do you know at what period inquests in cases of fire ceased to take place?—I believe it was a century or more since. We had a very suspicious case in Manchester, and the Manchester agents wished to investigate it, but it was found that it was impossible.

2519. I apprehend that the objection to an inquiry by the Board of Trade would be the probable expense and trouble?—Yes, in a great measure; I do not know how they could act in remote places, where the claim was very small, and yet, for the purpose of checking crime, it would be necessary to investigate it, just as if it were a very large case.

2520. You prefer the inquiry being made by the coroner?—That plan has many advantages, I think.

2521. Would you have the coroner's court constituted as in cases of death, by a jury of 12?—I am not so sure about that, but on the whole that could hardly be avoided. There would be an advantage in this respect, that if a fire took place in a village, and the lives and property of the inhabitants were involved, of course they would take care to investigate very thoroughly. On the other hand, sometimes when a jury is empannelled, they are all friends of the accused, and then it becomes entirely nugatory.

2522. In speaking of the expense of the inquiries, you expressed an opinion that it should be borne by the public?—Decidedly, for the reasons I have stated; but certainly rather than not have an investigation at all, I for one would have no objection that, where an insurance company ask for an investigation, they should bear a portion of the expense.

2523. Rather than not have the investigation at all, you think it would be far better that a portion of the expense should be borne by t insurance company?—Yes; but I think the tr principle is, that it should be borne by th county.

2524. Mr. *Lush.*] Do you think that there a great increase in the number of fires?—A ve large increase.

2525. Do you think, as a practical man, that great many of the fires are preventible?—I thir so, by proper regulations. I consider such tribunal as is suggested would tend to discov the causes.

2526. Do you think that a law should be ma to apply to fires, with a view to their diminution —Undoubtedly.

2527. Why do you form that opinion?—Be cause it would be a great public benefit, and would increase the security both of life and pro perty.

2528. You think it would be for the more good of the community?—Especially so; becaus I consider that crimes of this sort have a faculti of generating an increase; for instance, suppos we take the case of a tradesman in a small com munity who happened to be in pecuniary dis tress; he has a fire, and it is discovered that h has improved in his circumstances; that fact wil act on the minds of 100 of his neighbours of wea morals, who, though they will not go to the same extent from one example, will have an impres sion made on their characters which is very un favourable. Those things being, however, re peated, and being carried on with impunity, hav a great tendency to lead to the increase of crime whereas, if they were properly investigated, th moral effect would be the reverse.

2529. Just as a loose law of bankruptcy tend to demoralize people?—Just so; we have ha remarkable evidences of the truth of that. think it is exactly the same phase of mind which sometimes produces cases of suicide, one follow ing the other.

2530. Do you think that any increase of fire is to be attributed to the recklessness of the in surance companies in taking bad risks?—To a certain extent, I think so. The last 15 or 2 years have seen the rise, fall, and ruin of a large number of fire insurance companies. New com panies came into the business with small expe rience, and created an unwholesome competition therefore their capitals, small as they were, which are now expended, have had a tendency to creat a worse state of things than before.

2531. Their agents often take bad risks, do they not?—Yes, their agents often take bad risks, and the companies, for want of experience have aggravated those risks.

2532. Has there not been something like a scramble for business among some of the new companies?—Yes.

2533. Therefore you think part of the mischie is to be attributed to the carelessness in taking risks?—I think, taking everything into con sideration, that is a very small element in the whole of the causes. Within the last two years so satisfied have I been of the necessity of inves tigating the character of the persons proposing for insurance, that I do not allow an insurance to be passed in my company, coming even from re mote agents, without their replying to a series o questions which are put at the back of the order such as, "Are you personally acquainted with the proposer, if not, by whom has he been intro duced to you? Have you satisfied yourself tha h

as always borne a good character? Has he had a fire in any premises of his? Is the perty now proposed for insurance of greater ue than the sum for which it is to be insured?" y this morning I have received statistics from office, stating that some hundreds of in- ances have been declined upon those grounds ing the present year, and during the same e we have clear statistics showing that we e thus escaped losses to the extent of 23,000*l.*

534. In making a law on the subject, do you nk it would be of any use to allude to such gs as lucifer matches?—I think it would be nsiderable benefit.

535. Are there many fires from smoking es and cigars?—Yes, I have a very interest- case of the kind.

536. But we have a large tax on tobacco?—

537. And that does not prevent fires?—No; if a tax were placed on dangerous lucifer tches, people would be rather inclined to buy a cheap rate the untaxed ones.

538. Would that not interfere with the erty of the subject?—There is a great diffi- ty in that; but almost all taxation would be ject to the same remark.

539. Do you think that any fire happening in ouse should be an offence at common law?— the proprietor had been reading in bed, or oking in bed, certainly; but if it arose from a m in his chimney, of the existence of which knew nothing, he should not be punished.

2540. I suppose you know something of the ilding Act in London?—A little.

2541. One of the clauses of the Act makes it nishable to have a fire in your chimney, does ot?—Yes.

2542. The proprietor of the house is liable to summoned, and fined?—Yes.

543. Do you think that that is a proper state things?—I think it is; because if men do not ve their chimneys cleaned, for the purpose of ing a trifling sum, that may involve great loss.

2544. If that is so in regard to chimneys, why uld it not be so with regard to all other fires? There is this distinction. If there is a fire in an's house, if he be an honest man, he gets suf- ently punished by the loss which he sus- ns.

2545. But if it is right to punish him for a fire his chimney, how can it be right to let him ape if he fires his own house, or his neigh- ur's house, accidentally?—But I suppose that would not be the case if he had had his chimney swept the week before?

2546. Yes, it would; and, if so, why should the man whose house is on fire be allowed to escape?—I think that what I have just stated should have a good deal of weight if it be from accident only; that is, that he has been so materially punished that it appears to be hard to punish him again; but, however, the French law does punish him.

2547. With regard to the proposed investigation, do you not think it would be right to take a man who has transgressed the law before a magistrate in all boroughs?—It is so with chimneys; but then that law exists now. The police will not take a man up, except the case is very strong indeed, whereas a general investigation would bring out the facts. I may state that in the gross case which I have named, we had the greatest difficulty in getting the police to interfere.

2548. But who is to be the judge of the suspiciousness of the case?—The coroner.

2549. But I mean in the first instance?—That would be determined by evidence before the coroner.

2550. But how is the man to come before the coroner?—My proposition is, that the coroner should investigate every case.

2551. But that would imply that every fire was an offence, would it not?—The inquiry is to decide whether it is or not.

2552. Would you require the coroner to organize a jury for investigating a small fire, the cause of which was well known?—That is the great difficulty of not having that inquiry in every case, but a certificate might be required from the police that it was not necessary.

2553. Would you make the police judges with regard to whether an investigation should take place or not?—Yes.

2554. Do you think that that is a constitutional principle?—I believe that I know a parallel case (at least, I am not certain of the facts). There was a case of sudden death in Birkenhead a little while ago. There was no inquest held. I asked the reason, and I was told that, where the surgeon gave his certificate, it was not necessary to hold an inquest.

2555. The surgeon is an educated man, and licensed?—Yes; and the head of the police would be a very experienced man also, and well qualified.

Monday, 13*th May* 1867.

MEMBERS PRESENT:

Mr. Agar-Ellis.
Mr. Beach.
Mr. Gorst.
Mr. Kinnaird.
Mr. Laird.
Mr. Lanyon.
Mr. Lusk.
Mr. M'Lagan.
Mr. Read.
Mr. Tite.
Mr. Turner.

PETER M'LAGAN, Esq., in the Chair.

Mr. Joseph Jennings, called; and Examined.

Mr. *J. Jennings.*

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2556. You are an Architect, I believe?—I am.

2557. Are you connected with any insurance office?—I am surveyor to one office, and I have been connected with insurance business all my life, having been connected with another office previously.

2558. With what office are you now connected?—The Guardian Insurance Company.

2559. Do you hold any appointment under the Metropolitan Building Act?—I am surveyor for the district of South Marylebone.

2560. As an architect, have you given attention to the erection of buildings with a view to the protection of life and property from fire?—Yes, but more peculiarly in connection with surveying for the fire offices, and examining the fires after they have happened, to see how they arose.

2561. In the case of dwelling-houses, is there anything that you could suggest in the construction to prevent the spreading of fire?—I think that a good deal might be done in making the party walls more perfect, but a fire more often arises from the present Act not being able to be carried out than from the Act itself being ineffective.

2562. What thickness does the Act enjoin for party walls in dwelling-houses?—It is not a question of thickness with regard to fire, the height of the wall regulates the thickness, the smallest thickness admitted is nine inches, which is regulated by the height and length in connection with the strength, but without any reference to the question of fire, because, even on the basement storey, a wall may, at a foot above the kitchen chimney opening, be only four inches thick; that is to say, the back of the flue against the house may be only four inches thick, because the flues are carried up within the party wall; therefore, practically, it often happens that a great portion of the party wall consists of four inches on each side, and the flues occupying the whole space of the wall. I think, in the case of kitchen flues, it is very desirable that they should be carried up nine inches thick, and that is proposed by the new Act introduced by the Board of Works.

2563. Do you consider that nine inches are sufficient to prevent the timber on the other side taking fire?—If there is no woodwork against it; for all open fires, nine inches will resist, but no for close fires.

2564. You think that the beam on the other side of a wall from the furnace, over the flue, would be apt to take fire through nine inches thickness?—If the wall is plastered, and it is nine inches thick, and the timber is all exposed, there is very little danger; but if the timber is put into the wall in any degree, there is very great risk.

2565. If there is the slightest current of air between the timber and the wall, there would be no fear of its taking fire, I suppose?—No, certainly not, of taking fire, but it would dry it very much. A very common cause of fire is from timber running into the walls, and the walls never having been made perfectly solid at the end of the timber, as was the case at Beale's Wharf.

2566. As an architect, could you suggest anything facilitating the escape of the inmates of a house when it is on fire?—What is proposed under the new Act, of requiring all houses to have a fixed way up to the roof, would in many instances be beneficial.

2567. What is a fixed way?—Either a fixed step ladder, or the staircase continued there up to the roof.

2568. Would that be outside the house?—No, inside, from the top storey on to the roof; that is very desirable, I think.

2569. That is suggested in the projected Bill?—Yes, but not quite effectually carried out, which is the case with a large number of other points in the Bill, I think.

2570. You say that you are surveyor to the Guardian Insurance Company; what are your duties?—I only survey important risks, any risk that is important which the inspector is not considered sufficient for; but I have no power in that case, nor does the law give me any power to do more than say that the risk is hazardous, and that therefore the premium should be a high one.

2571. But that is specially with regard to the buildings?—Yes, with regard to the buildings, and any goods in the buildings.

2572. Is it one of your duties to inquire into the causes of fires in which the Guardian Insurance Company is interested?—Yes; whenever a fire

ehas happened, I endeavour to find out the cause, id generally report to the office what my opi- on is.

2573. What have been the most frequent causes fires?—The most frequent cause in London, ndoubtedly is the timber being too near the ues, but that arises from more than one cause, r it sometimes arises from the brickwork being rnt or worn away, as well as from the original efect of construction; in the case of a carpen- r's fire-place, the fire is put directly against the rickwork, and I have sometimes seen it burn way, although originally nine inches thick.

2574. Now how can you avoid that a few ears after the erection of a house?—It is very ifficult to say, but my impression is, that it ould be desirable to put all buildings in the me position as dangerous buildings are now in, nder the present Building Act: that is to say, ose that are liable to fall down. Anybody ay give information that they think a building dangerous, and then the police appoint a sur- eyor to survey it and report upon it, and they rder it to be pulled down or shored up, as the ase requires. My idea is, that something of the me kind might be done with regard to danger- us stoves and dangerous buildings in that way, nd probably there would then be somebody who ould express an opinion that it was dangerous, nd a large number of cases would be brought orward, and they would be surveyed, and the ouses would be altered.

2575. We have frequently heard complaints rom occupiers of houses in London, who have ot plates in kitchens, that the walls of the ooms above become very much heated?—Yes; hat is what I was referring to in the case of lose fires; nine inches thick would stand in any pen fire, but in case of a close fire, it depends pon what the furnace is; it is now customary to ave close kitchen fires in a private house.

2576. Do you think that that is dangerous?—Yes; and I think there should be a special pro- vision to keep woodwork away from it. If it were shown by inspection, that they were danger- ous to the next house, there should be a power of altering them. In many houses they are ot dangerous, because it is all brickwork, but hey are fixed without any notice being given to any one; it is the opinion of the police magis- trates generally that any man fixing a stove, is not bound to give notice even to the district sur- veyor; therefore it often happens, that the brick- work is cut away, and there is a reduction even of the thickness of wall required by the Act of Parliament.

2577. Suppose the beams of the floor of a house were placed close to one of those flues, is there not great risk of its taking fire?—There cer- tainly is on the refixing of the range. (*Producing a drawing.*) This is a very common case: when a smith fixes a boiler there is not room for it, and he cuts into the brickwork behind; that is illegal, but there is no means of knowing when it is done.

2578. But when a house is built, and you put in a hot plate, the heat is felt not only in the dining-room flat, but up as high as the drawing- room flat?—Yes, no doubt.

2579. Now, supposing a beam is placed close to that, it becomes desiccated, and in time it is apt to take fire, is it not?—I never met with a case where a fire went through unless the timber was put into the wall, if there was plaster between.

2580. Even though there was a four-and-a-half inch wall?—I never met a case even of that kind, if it was plastered behind above the ground storey. I met with one case where a fire of this description was at the level of the ceiling of the kitchen.

2581. What was the thickness of the brick wall?—Four inches.

2582. You think it would be better to have them thicker?—Yes; they ought to be nine inches at least in every case where there is a close fire; that is to say, where there is a furnace. When servants are careless, any amount of heat may be thrown up.

2583. Do you know whether in the new Bill of the Metropolitan Board of Works any notice is taken of that fact?—No, there is not, except with regard to the additional thickness required on the basement floor and up to the ground floor.

2584. You spoke of a wall being covered with plaster; is there not a great difference in the quality of the plaster used?—There is a great difference in the quality of the plaster used, but for the purpose of fire it is not very important, except with regard to the question of thickness.

2585. Suppose you have a plaster made of lime and earth, do you say that that plaster will adhere as well to the wall as better plaster?—No, not so well; but so long as it is there, it is more effectual than a better plaster for that particular purpose. Nothing stands so well for the purpose of resisting fire as burnt earth; that is to say, as brick dust or brick rubbish, which is now used generally for the purpose of filling in what are called fire-proof floors; burnt earth with a small portion of lime would stand a greater amount of fire than anything else.

2586. But if it does not adhere to the wall, it is of no use, is it?—Just so.

2587. You require a plaster that will adhere?—Yes; I care very little about the inside of the floor. Now, chimneys are swept by machinery; the parget is knocked off by the time the fire happens, and by that time, the inside parget has been destroyed; that is made partly with cow-dung.

2588. Do you think that a little plaster of Paris mixed with the lime would improve its quality?—I think it is quite unnecessary. I should very much prefer if it were done with mortar at the time that the wall was built; that would be a great protection, because it would adhere in connection with the joins of the brick-work.

2589. You have mentioned that one of the most frequent causes of fire in the metropolis arises in connection with flues?—Yes.

2590. Can you mention any other cause?—It arises from flues, and very commonly from plugs of woodwork which have been driven into the walls which have been built; the late Building Act forbade all plugs in party walls, and it was the very greatest protection one could have, because when a wall has been built, you cannot tell where the flues are after it has been plastered; the consequence is, when driving or fixing wood-work in a wall, nobody can know positively that it did not go into the flue.

2591. Can you mention any other causes of fires connected with construction?—There are those which arise from leaving too large a hole for the timber to go in; it is convenient to shift them one way or the other, and frequently they leave a space of four inches, so that the wall has been

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been four inches or even more than that less than the Act of Parliament requires with regard to thickness; that was the case with the fire at Beale's Wharf, and the cause of its going into the next warehouse; besides that, there is the position of pipe stoves which are a very great source of fires; moveable stoves, perhaps I ought more particulary to say, for it is their not being fixed, and only occasionally used, that is a great source of danger; where anything is put up permanently it is generally taken more care about, but when moved from time to time, they are carelessly put up, and there is no protection in the Act of Parliament for fixing them; in the new Act there is an intention of doing it, but it has not been carried out as yet; it allows you to put a stove on to a sheet of five pound lead, which would soon wear out, and prohibits you putting it on to a boiler plate, which would be protection; that will be altered, no doubt, when the Bill is brought into the House; the fixing of coppers is a very common cause of fire, the coppers being fixed some time after the house is built, and they are very often put up without any notice; there is also a cause which you have already had before you, arising from there being timber in old walls, which there is no power to discover, and which the law gives no one a right to examine (*handing a plan to the Committee*); it has been represented to you that that could be prevented, but in that case the Board of Works took a great deal of care to see whether it was illegal or not; this is a flue built up against the party wall, and the wording of the Act is, "Such a width shall be tied to the wall," but it does not say how it shall be tied, or even that it shall be cut in; the magistrate said this being an old house, the district surveyor had no power to go into it to see whether there was timber in it on this side of the wall or not; the Board of Works took a great deal of trouble and went into that case, and went, I am disposed to think, rather beyond their powers, with a view of trying to enforce the examination of it; they said they were of opinion that it was the district surveyor's duty to find out, but the Metropolitan Board of Works did afterwards go into it very fully, and they were satisfied that it was impossible for the district surveyor under the present law to enter the adjoining house, and they went so far as to come to a resolution that he had done all that could be done.

2592. I presume they are remedying that in the new Bill?—It is not remedied at present, but I have no doubt it will be.

2593. Have you seen the new Bill?—Yes; that has not been provided for at present; there are fires constantly happening in connection with those causes.

2594. Mr. *Tite.*] All that is required is a remedial provision in the new Act of Parliament?—Just so. The Board of Works took a great deal of trouble in the case to see whether they had any power, and the result was certainly that they had not the power.

2595. *Chairman.*] Can you mention any other common cause of fires?—I think there are many other things in connection with the construction of houses which may be introduced with advantage into the Act, with respect to the protection of life and property from fire, but they are matters very much of detail; for instance, I think the question of covering buildings, the roofs I mean, is one which requires consideration. At present the police magistrates have determined that asphalte is a legal covering to buildings, but the Board of Works are of opinion that it is not.

2596. Is that referred to in the new Bill?—No; the new Bill has not touched that question of covering. I think with regard to the question of what is fire-proof and what is not, the new Building Act has not been sufficiently considered also. The causes of fire, so far as construction goes, I have now been touching upon, but the other causes are very various; one cause, which I found in the case of one fire, was the very uncertain supply of gas, that is to say, sometimes when the gas is burnt very low it will perhaps go up a foot or so; when in a shop, goods have been hung at a very insufficient distance, the gas comes on suddenly and sets fire to them. I had this happen in my own gas-stove while I was standing by it, a flame of only a quarter of an inch came on to six inches without its being touched. Of course, when that happens, when a building has been left with a little gas on, like a shop, there is risk.

2597. Have you known any cases of that sort having actually occurred?—I know of one, which I surveyed myself, where I had little doubt that that was the cause.

2598. That is on account of the pressure of the gas being too great, I suppose?—That is on account of the pressure of the gas being suddenly altered.

2599. Have you known any cases of spontaneous combustion?—I have no doubt of some cases being spontaneous combustion.

2600. But you have no facts to give to the Committee, I suppose?—In one case, I may say very certainly that cotton waste was the cause of the fire; cotton which is used for wiping anything oily. I have always made a great point, in any business where they have cotton waste, or anything of that kind, of insisting on having slate cisterns to throw it into, which, for ordinary purposes, is the only safe way. Then, there is another article which is liable to spontaneous combustion, and that is soot in the form of lamp-black; lamp-black, if put in any place where it gets wet, would be subject to spontaneous combustion. And therefore it is important, in surveying premises, to see where the goods are kept which are liable to certain risks; we take care that they shall be neither on the roof nor on the basement. At a coachmaker's, that is a point that we look at carefully.

2601. Do you know any cases of fire arising from lucifer matches?—That is more frequently the case from persons throwing down a piece of paper or match which they have lighted; but still that does happen in the country. I know of two or three cases where I am quite certain it arose from tramps who had slept in a building lighting their pipes, and throwing down the piece of paper on the straw. That happened in my own country house; we had a barn burnt down.

2602. You have been engaged in some fires officially?—Yes; I went and inspected that fire in Newcastle, which is an instance of a fire extending to both sides of a river. The explosion was such that it drove the fire across the whole width of the river, and set fire to the premises on the other side.

2603. What was it that exploded?—Saltpetre.

2604. Was there any sulphur in the wharf?—No; not that we know of; but in that case nothing would have prevented it doing damage beyond that; but supposing it had been there alone

ne, there would probably have been less than actually take place, because it was ignited by ier goods.

2605. What was the cause of that fire?—I ieve it was considered accidental in the first tance; it was not until after the fire had taken ce that I saw the damage which was done. ltpetre and some other things should not be owed to be stored with other articles.

2606. Have you known of suspicious cases of s in your experience?—A very great many. ave had three cases in which we have prose-ed.

2607. Were you successful in prosecuting?—the most important case we did not prosecute man, because at the fire office we had not ficient evidence to prosecute, but we were te certain that the place was set fire to, and a im was made for a very much larger amount n could have been in the space burnt down. e of the present judges was our leading nsel, and he very strongly advised our resist-the whole claim or none, but the office re-ed to do it, and said that if they did not accuse man of setting fire to it, they would pay for the loss which took place; and, therefore, y paid into court the amount of what they sidered the actual damage, and, although our ding counsel left us, we obtained a verdict, rather the other parties lost their cause, as the remainder, and it was very well under-od that it amounted to the same thing as say-g that he had set fire to the place, and I ieve that case was very useful in checking es. Another case was a very recent one, ere the claim was resisted by another office, hough I was professionally concerned, in which e there was not sufficient evidence to prove t the man had set fire to the place, but the im was resisted successfully; and in a case ere the "Guardian" insured property at Ful-m, not long ago, a man was taken up by the lice, and the police prosecuted him, and he was nd guilty.

2608. Then, are there many cases in which u have every suspicion, but in which you can-t bring home the guilt to the parties?—There a very great many cases in which there can-t be a doubt of the place having been set fire to.

2609. What is the nature of those places; are y shops or dwelling-houses?—The greater rtion of them are shops. One check upon it that if it looks a suspicious place, we do not ept the risk. If a person proposes to insure a very much larger sum than appears to be the premises, we should decline the insurance. ere are a good many fires occasioned by oking tobacco. I have seen one jacket on fire d one waistcoat; in one case the jacket was nging against a hay-stack, with the pipe in it.

2610. Would you say that that was accidental? Entirely; but it was a case in which it would supposed to have been an intentional fire, if fire had spread. There were only labourers out.

2611. I am speaking now only of suspicious ses: can you mention any case where a fire me under the head of suspicious circumstances? I recollect one case where it took place under wooden staircase, and where I have no doubt was an intentional fire; that is the best place setting a house on fire.

2612. What did you find there?—We found t the store of wood for the house was kept there, but there was some oil and other things, and everything had been arranged for a fire, but the fire was got down so rapidly, there was not enough to prove the intention.

2613. But perhaps it was the usual place for keeping those things?—No; persons do not usually keep their oil and wood and rags all in one place; it is a very suspicious circumstance, if the wood was all together in a place that was most convenient for setting fire to the house.

2614. Can you mention any other case?—Another case which I have no doubt was an intentional one, was where under the counter they kept lucifer matches, and many other things of that kind; that was in Whitechapel.

2615. Do you know of any cases of fire from inflammable oils in shops?—Not of myself with any certainty, but the presence of petroleum is attended with a great deal of risk; some is extremely dangerous, and some is not; that which has had the spirit removed is really not attended with any great danger; but as it is impossible for the surveyor to know which it is, we treat it as hazardous risk.

2616. Have you in your surveys of property, in which fires have taken place, turned your attention to the best means of preventing fires?—It would be very desirable to make every house much safer than it is, but in every case it increases the cost of building. I recollect a case at Woolwich, where a partition built merely with wood and brick, stood the fire perfectly; it was plastered over, and stood a considerable fire.

2617. You have heard, I suppose, that it has been suggested to the Committee that a judicial inquiry into the causes of fires would be a good means of preventing them?—It would be the most desirable thing possible to have some inquiry in the case of every fire; because, I think, it would make persons more careful.

2618. It would have a good moral effect?—Yes; I do not think what you would actually learn would be a very great deal.

2619. In those suspicious cases that you mentioned, do you think that an inquiry would have brought out any useful facts?—It might have done, because I have no power of obtaining information from any one; and at the present time we do not get as much information from the firemen as we used to do.

2620. Why is that?—They consider that the fire offices have nothing to do with it, and that all that they have to do is to put out fires.

2621. That is, I suppose, since the Fire Brigade has come under the management of the Metropolitan Board of Works?—Yes; since it separated; but in the case of a judicial inquiry, of course that would be different.

2622. Mr. *Lusk.*] You are an architect and surveyor, are you not?—I am.

2623. In your experience, are there instances coming under your knowledge of a modern building communicating a fire to the next house from the deficiency of party walls?—None; except where the timber is run into the party walls.

2624. Do they often run timber into walls in modern buildings?—They are entitled to do it within 4½ inches of the centre, and therefore they are entitled to run timber into party walls, and they are often put in without being sufficiently distant from the flue.

2625. You think that there should be a little fresh modern legislature upon that point?—There should be some degree of alteration, I think.

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2626. You think that the law is improveable in that respect?—Decidedly.

2627. Can you suggest anything with regard to stairs and other accessories in modern houses?—Portland stone stairs are of use in getting persons out from a fire, but they very soon fail; I never knew an instance where persons had not time to get down the stone stairs, even if it was Portland stone stairs, before the fire extended so far as to prevent escape, but Yorkshire stone stands much longer.

2628. Have you anything to suggest in the way of recommendation with regard to preserving life from fire?—I think the accesses as at present provided to public buildings are very inefficient; there is no provision that the ceiling should be protected in the least.

2629. With regard to wharfs, do you know much about them?—Yes.

2630. Do you think that they should be non-communicative or communicative with iron doors?—It is indispensable for the trade of London that there should be means of communication.

2631. Between the rooms on the inside?—Not necessarily on the inside.

2632. Do you think that the different compartments should communicate with each other?—There would be, no doubt, a decided advantage in their not communicating.

2633. Do you think it desirable that they should be communicating or non-communicating?—They would be certainly very much safer if they did not communicate.

2634. You think that the doors are very apt to be left open, perhaps?—Certainly; they are liable to be left open.

2635. Is there any such thing in your experience as a fire-proof building?—No building can be called a fire-proof building except a building in which in each chamber there cannot be heat enough to destroy the material of which it is built; it may be fire-proof so long as you have not enough in it to destroy the construction.

2636. It may be fire-proof as long as there is not sufficient fire?—It depends upon what the article is; it depends entirely on the quantity of heat you produce. A merchant's strong room you may make fire-proof.

2637. You know something about the classification of goods in wharfs, I suppose, do you think it should be compulsory, or does the present plan answer the purpose?—No; not as it is at present. I think that with regard to all hazardous goods, it would be desirable that there should be some system by which we should know where they are deposited.

2638. You know some insurance companies make it a rule that they will not take insurances upon such goods, unless they are classified?—Yes.

2639. Do you think it should be compulsory by law?—It would be a great protection.

2640. Do you know the present existing Metropolitan Building Act?—Yes.

2641. Is that a good Act?—It is a very unworkable one.

2642. And it is one susceptible of considerable improvement?—No doubt; it wants altogether a different arrangement for carrying out.

2643. Do you think it could be made into a good Act; I mean the proposed new Act?—Certainly not.

2644. You have seen the new Act, but you say that it is not perfect?—As it is at present, certainly not.

2645. Do you think that a good Building Act would be desirable for country towns, as well as London?—A good many of the provisions of the Building Act are applicable to the country, but there are various things which would be very different in the country from what they are in London.

2646. Do you think it very desirable that country towns should have a Building Act, or do you think that it is possible?—I think it would be desirable, and to a certain extent possible, but not to the same extent as it is in London.

2647. If it is possible to have a Building Act, it would be useful in country towns as well as in London, would it not?—I doubt whether the same Act would, but *an* Act, certainly.

2648. Do you think that it would be desirable to have a Building Act for country towns as well as a Building Act for London?—Yes; certainly.

2649. That would be for the advantage of all concerned, would it not?—Yes; certainly.

2650. With regard to stoves which are placed in houses not being properly fixed, do you think the Act should be more stringent in such matters?—It should be more clear. The Act, as it is intended to be, would provide for all coppers, which it does not do at present.

2651. If you make an Act too troublesome, the remedy becomes worse than the disease, does it not?—Decidedly.

2652. If you were to make it too perfect, people would not insure at all?—If it was unnecessary to insure it would be a very good thing, but that will never be.

2653. There are certain bounds that we can never pass, are there not?—It is very important that details should not be carried too far into a Building Act.

2654. You think that fires do not come so much from lucifer matches as from pieces of paper thrown down?—Not so much from the matches, but from their being lighted and thrown away.

2655. The old flint and steel would be as bad, no doubt?—Yes; I do not think that could be prevented.

2656. You do not think that matches are in themselves the cause of fires?—No; not particularly.

2657. Mr. *Tite.*] With regard to party walls; have you ever seen walls 4½ inches thick of good brickwork which did not succeed in stopping a fire?—Yes; I know of one case in which the woodwork was ignited through the 4½ inches thick.

2658. How far was that from the furnace?—It was from one of those close kitchen fires; it was three feet above a close fire.

2659. With regard to the operation of the present Building Act conceding its imperfections, do you find any facilities shown on the part of the magistrates for carrying out the provisions which are in the Act of Parliament?—A great majority of the magistrates are always disposed to prevent the Act taking any good effect; I mean letting the builders off, looking upon it as a penal Act.

2660. In fact they do not facilitate the operation of the action of the district surveyor?—Decidedly not.

2661. Simply from disinclination to interfere with

h the rights of private property, I suppose? That is one reason, but I think the great rea- is that they think it a penal act to be con- ued so as to give the benefit of the doubt to e builder.

2662. Perhaps you are aware that the Metro- litan Board of Works have done their best to the district surveyor, and do not succeed any tter than the magistrates?—Yes.

2663. Being probably aware that for two years s Building Act, which was passed 12 years o, has been under consideration, and has been omitted to the district surveyors, and every ssible step taken to bring in an amended Act; u do not think well of the printed Bill, but I esume you do not believe that it will pass thout full consideration?—Respecting it being bmitted to the district surveyors, I have no ubt it has been submitted to some of them; but th the advice of efficient architects, whether trict surveyor or not, the Metropolitan Board Works will no doubt amend it.

2664. You know, perhaps, that there is a iety of district surveyors, of whom Mr. arles Fowler is the secretary, and that that iety has submitted very extensive suggestions th regard to this Bill, and that in consequence those suggestions, even so lately as Friday t, it was referred back to a Select Committee look into those suggestions, in order to make e Bill more perfect?—I know that there is a iety of which a large number of district sur- yors are members, and that they have consi- ed this Act with the two copies before them, t they did not go into any question of the nciple of the Act, but only into the question improving what the Board of Works sug- sted in that Act, and they will no doubt be nsulted with regard to other questions.

2665. However, you are aware it has been a tter of consideration, and it is a very grave tter of consideration how best to amend this t so as to enforce reasonable provisions for the urity of the public from fire?—Yes; I have no ubt that if that clause were carried in the t, for having an efficient magistrate to consider whole of the cases under the Building Act, would be of very great importance.

2666. I suppose the causes of fires are very much re due to the occupants of houses, than to the re construction of the houses?—Much more

2667. The incidents which arise from bad ldings, or from the wall being cut into, are y much fewer than those that arise from dles being thrown down or gas being care- sly used, and other matters within the control he occupier?—The great majority; but a large mber do happen from timber being put into es after the house is built.

2668. And putting in wedges for the purpose fastening things?—Quite so; driving the get from the inside of the flue.

2669. With regard to those enormous con- uctions all over London, I suppose your office ches from taking the risks in such warehouses l shops, and establishments as we see in ford-street, with half-a-dozen houses run ether, and nothing to prevent violent fires ing place?—Decidedly.

2670. What remedy do you imagine could be nd for that?—I think the important thing is, t all buildings whatever, should be separated a certain extent into compartments, so that they could be shut off at the time of the fire. It very often happens when a fire commences in one part of a building that if there were means of shutting it off, it could be stopped at once, by a double or even a single door; but I recollect one case in Greville-street, where a single door perfectly answered the purpose, and I think that no building should be allowed without divisions, if above a certain size.

2671. There are provisions in the Act, but they are inoperative?—Yes; from the magistrates having determined that trade or manufacture shall be so read together, that in a place where only trade is carried on without manufacture, the words do not apply. In the case of the Langham Hotel, considering that a very danger- ous thing, I took it before the magistrates, saying that it was a building for trade; the magistrate decided that it was not a building for trade, and, therefore, it was allowed to be built all as one building.

2672. Is there any particular pains taken that in the event of a fire the parties inhabiting the hotel should have means of escape?—There are two very good stone staircases.

2673. Do they go up to the roof?—No; neither would they be of any use, because the roof is so much higher than the other buildings that no one could get off; persons should be at liberty to have iron ladders to take them down to another house; that is important in any new Act.

2674. With regard to claims, there is no great sympathy with the offices on the part of juries, and that would generally prevent your disputing many cases in which you think there has been fraud, I suppose?—No doubt every jury is strongly disposed in favour of the claimant.

2675. And many cases of suspicion are in consequence passed over?—The consequence is, that offices hardly ever prosecute; they feel that they have nothing to do with the punishment of crime.

2676. Do you know, as the surveyor of a large city office, that steps were taken by Mr. Payne to revive the old powers of the coroner in these respects?—Yes.

2677. Do you know why that broke down?—No, I do not know; I heard one thing was, that he could not get his fees allowed.

2678. There was a difficulty about the question who was to pay the expenses, was there not?—Yes.

2679. The county did not choose to pay the expenses, and the parties who seemed to have the great interest in it refused to contribute?—I understand that was one cause; but there was a certain difficulty which we always found in getting witnesses to give evidence.

2680. A coroner has the power to compel the attendance of witnesses, has he not?—Yes; but it is very difficult to find their names to summon them; the bailiff or parish constable did not consider himself bound to look after them.

2681. Do you see your way if there is to be an inquiry with regard to paying the expenses; I apprehend that the fire offices would not pay?—Certainly not.

2682. Then who is to pay?—Arson is like all other public crimes. The question is, whether it should be looked upon as an inquest in case of death is.

2683. You think that the offices ought not to pay?—They would very much object to pay. The cases in which the greatest loss takes place are not the cases in which there is reason for in-

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vestigation, and they would obtain no advantage if they were to pay.

2684. Do you think that it would be desirable to have an inquiry in all cases of fires?—I think it should be just as in the case of inquests; but if a case were very obvious, there should be no inquiry. If it was reported to the officer that there was anything suspicious, I think there should be a coroner's inquiry.

2685. Mr. *Turner.*] You are the surveyor of the Guardian?—Yes.

2686. You survey after fires in which the office are interested?—Yes.

2687. You report to the office the causes of the fires, so far as you can ascertain them?—Yes. I do not inquire of other persons except those on the spot; I have no means of doing so.

2688. Do you find, in the majority of cases, that you can ascertain the causes of fires?—In the majority of cases, I think we can. We have a very strong reason to suppose what the cause is in most cases.

2689. But your inquiry, I suppose, is very often defective, in consequence of your having no power to summon witnesses?—There is no power to make them give answers.

2690. Do you think that any mode of building that can be reasonably enforced will prevent fires, except you have a judicial inquiry which will ascertain the cause of fire?—I think that everything which tends to decrease the risk of fire is attended with cost. I think that it would tend to increase the cost of building, which is a very serious question in the present aspect of house rents. When the last building Act was passed, the question of cost of construction was very much considered, and it was rather in that interest that the Act was passed than the interest of protection from fire.

2691. Any question of protection of life from fire was not so much considered as sanitary matters?—In the last Act it is less considered than in the previous Acts.

2692. In fact your opinion is that we must not expect much improvement in the way of diminution of fires, unless we can get some inquiry into the causes of fires?—I think an inquiry into the causes of fires would only have the effect of checking incendiarism. I do not think it would decrease the number of fires, except that the knowledge that there would be an inquiry would check incendiarism. After a person has been prosecuted, there are a smaller number of suspicious cases for some time.

2693. But there has been a great increase in the number of fires during the last few years, has there not?—I think not.

2694. The evidence which we have had has been to that effect?—I think the tables will rather tend to show that, in proportion to the number of houses, there is not an increase in the total number of fires.

2695. You are speaking of dwelling-houses in that case?—I am speaking of the returns made to the fire offices of the fires which are constantly made; they are printed, and I believe they are in the hands of the fire offices. My impression is, from all I have heard, that the effect of those returns is that in proportion to the increased number of houses there is not an increased percentage of fires.

2696. Does that apply to warehouses and goods?—The large fires in warehouses have been of late years greater, and therefore the losses from fire in large fires have been greater than they used to be.

2697. Separating the question of dwelling-houses from that of warehouses, and goods stored in warehouses, have not the losses by fires greatly increased within the last few years?—There have been certainly larger warehouses burnt down, and therefore larger fires; at the same time the water-side warehouses, so long as I can recollect, were constantly having fires in them. When Fresh Wharf was burnt down it was not so large as Beale's Wharf. Fenning's Wharf was very large, but not so large. Fresh Wharf has been burnt down twice within my recollection. There had been previously as many fires, but there were not such large warehouses.

2698. You have been a surveyor for many years, I believe?—I have been connected with fires since I was a boy.

2699. In former years, going some years back, when you made an investigation with regard to the causes of fires, you had very little difficulty in ascertaining the causes, had you not?—There has been a difficulty often, but generally we have arrived at a strong suspicion of the cause; in many warehouse fires we have a strong suspicion that somebody has had an interest in setting fire to them to conceal peculation.

2770. Has not the difficulty in finding out the causes, particularly in the case of large fires, increased of late years?—I think so.

2701. Your difficulty, I presume, in ascertaining the causes of those fires has been greatly increased by the want of any means of enforcing the attendance of witnesses, and making them give evidence; in fact of there being no tribunal which has such a power?—There is no tribunal.

2702. Does there not arise from that great difficulty in ascertaining the causes of fires; if some tribunal had greater powers, do you not think they would have ascertained the causes of a great many more fires?—I very much doubt whether they would, but they would have shown that they could not ascertain, and therefore have made much more conspicuous that the probable cause was incendiarism.

2703. You say that since the fire police was put under the Metropolitan Board of Works, they have been less zealous in ascertaining the causes of fires, or at all events in giving evidence?—They have been less disposed to give information to the surveyors of the fire offices, but they have probably made returns to their own employers. But the principle of the Fire Brigade appears to be that it is to put out fires, but is not to go into the question of preserving property.

2704. But when a fireman is employed for putting out a fire, he necessarily acquires a great deal of information with regard to the causes of the fire. He sees the state of the buildings, and other matters on which he could, if he pleased, give information?—I think, unless he is a mechanic, he does not see them.

2705. But suppose that he is the first man who breaks into a warehouse that is on fire, could not such a man of ordinary intelligence, if he described the situation of the fire, and the state of the warehouse, give valuable information with regard to the cause of the fire?—That might be of use, but in the old state of things we always trusted to the foreman to give information, and the foreman was less frequently of the class of the present firemen; they were often most intelligent, and very frequently mechanics; I think a large portion

portion of the present Fire Brigade are peculiarly efficient for putting out fires, as being active men, and generally speaking sailors, who are in the habit of attending to instructions, and they are a more manageable class than any other for that purpose; but I do not think that they are generally speaking a body who are very observant of how a thing happened, because they would not know the construction of the building as a mechanic would know.

2706. But they could describe what they saw?—Yes.

2707. And that might be valuable?—It would be of some use, for sometimes they would see things which other persons never see, and of course that would be of use.

2708. Do I gather from your evidence that on the whole you do not think an inquiry would be of much use?—It is most desirable, but I do not think it would be of use in the sense in which you put it; but it would be of use in checking incendiarism.

2709. That is what I mean; in the case of accidental fires it would be of little use, but in America and other countries where there are such inquiries in force, it has diminished the number of incendiary fires materially, has it not?—No doubt; I think there are many cases in which there would be no object at all in having an inquiry, and in which it would become very burdensome on the persons where there was no reason for suspicion.

2710. Under a coroner's inquest, where the cause is obvious, the inquiry is very short, but unless you have an inquiry in all cases, who is to judge in which cases it is to be held?—I think that the officers of the Board of Works would judge.

2711. But that applies to London only, taking the question as it applies to the whole of the country, who would be the judge?—Probably the constable or some such person.

2712. You think it should be some responsible person's duty to do that?—Quite so.

2713. With regard to double doors and matters of that kind, of course that is a matter of building, and unless the regulations are very stringent and well enforced, there is no use in such doors?—I think the use of such doors is of very little value, except as a means of shutting off the fire when a fire takes place in one part of the building.

2714. Should not it be somebody's duty at night to shut the doors, before leaving the warehouse?—It would be of very great use, but I see no possibility of enforcing it. At present the Act requires you to put doors, and the majority of them will not shut, because they have got rusted.

2715. If they were shut every night, and it was made penal not to apply those regulations, you would have some security, would you not?—If it were made penal it might have such an effect, but at present the penalty for not complying with other clauses in this Building Act is not exceeding 20 *l.*, and the common plan of the magistrate is to think that 1 *s.* penalty is enough.

2716. With regard to the irregular pressure of gas, I suppose when it is shut off from a shop in the evening, there would be always an increased pressure?—No doubt that is the case, but it seems to come too suddenly (when it does come) to arise only from shutting off one shop at a time.

2717. To what do you attribute it then?—I think there must be something in connection with the gas works themselves.

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2718. We find in Liverpool at the time of shutting up the shops, that unless you attend to the gas in the houses, it suddenly flares up?—That no doubt is one great cause, but I think there must be something more than that, from the very great alteration which takes place in a moment. It could be checked as you are aware, in private houses by the regulator.

2719. Surely you would think it culpable carelessness to hang things immediately over a gas-light, however high up?—I think that drapers' shops when the windows are dressed are very hazardous, and we have a very great objection to them.

2720. Mr. *Lanyon.*] You referred just now to the classification of goods; how could you enforce that classification?—I know of no way of doing it thoroughly, except by making it illegal to put certain goods together; and where hazardous goods are deposited you might adopt the Paris plan, of requiring that such warehouses should be registered.

2721. Mr. *Turner.*] Are you aware of the municipal regulations at Liverpool?—I am aware of them, but I have heard that they are what would be hardly put up with in London, because the buildings are so different in London from what they are in Liverpool; in Liverpool the goods are deposited more in warehouses, and the warehouses are more distinct buildings; I imagine that the Liverpool Act would become rather burdensome in London.

2722. Would there be anything oppressive in adopting the Liverpool regulation with regard to warehouses, which says that saltpetre should only be stored by itself?—Certainly not; it would be very desirable if it was confined to warehouses, but before a magistrate there is sometimes a difficulty in determining what a warehouse is.

2723. Mr. *Lanyon.*] Do you think, supposing we adopted the Liverpool plan, of enforcing the classification of goods in warehouses, it would be reasonable to say if a fire occurred where goods were not classified according to the enactment, the insurance should be forfeited?—I think that would not be sufficient, because it would only apply to persons who are insured; I think that the clause should apply irrespective of a third party, like an insurance office; the practical working of that is attended with this difficulty: that the parties insuring their property are probably not the parties who have anything to do with the other goods stored there, and therefore you would cut off the party who made the insurance, instead of punishing the person who was guilty.

2724. Is there any other plan by which you could suggest the legal enforcing of the classification of goods, penalties being of very little use apparently?—Supposing we took a warehouse as being a building in which other persons' goods are deposited, and you made that penal, I think there would possibly be a sufficiently strong reason for other persons to see it carried out; when persons deposited their goods where it was illegal to have various goods, I think there would be a sufficient number of informers for their own protection to make it likely that they would give such information that some one would have notice, just as in the case of dangerous buildings; at present the police have notice.

2725. Do you think that it would be a very

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good thing to have a clause in any new Act of Parliament that would leave warehouses open at any time to the inspection of the agents of the different Fire Insurance Companies?—Practically they are open now, because, if a fire office wishes to send an inspector, I never knew an instance of a warehouseman objecting to the surveyor making a survey.

2726. You mean prior to the insurance?—No; at any time, if we think the risk may be altered, they never object to our entering.

2727. With regard to public inquiries, you said that they would be merely useful as a protection to the fire offices, and the public generally against incendiarism; but would they not be also very useful even if incendiarism was not suspected, in showing the causes from which fires had originated?—I think we are so well acquainted with the various causes of fires, that we should get no more information by the inquiries than we have at present; the subject is so very clear now with those who have made it a subject of study.

2728. I thought you said that one of the objections against the Fire Brigade was, that you were not made acquainted as you used to be with the causes of fires?—No; not so as to discover what that individual fire arose from, perhaps, but we know enough to know that the fire must have arisen from one of a certain number of causes; but the inquiry would be of no real advantage except as a check upon incendiarism.

2729. But suppose the fire arose from malconstruction of the building, would not it be very desirable to ascertain the fact?—I think we know enough about what construction is the safest.

2730. Yes; but is it not most important that the cause of every fire should be ascertained; for instance, in a case which arose from the malconstruction of a building?—It might be.

2731. How long ago is it since the coroner used to inquire into the causes of fires in London?—About ten years ago.

2732. How long did it then continue?—It was never carried out to any great extent.

2733. During that short time, was it found to work satisfactorily?—No, I think not; but then there was a prejudice against it. There was always a dispute whether it was right or wrong; there was a general feeling against assisting the coroner.

2734. You referred to the proposed new Bill as deficient; in what way do you consider it deficient?—In the first place, it has been hardly sufficiently considered what it is intended to carry out; that is to say, whether it is to protect from fire the occupants of a house as well as the adjoining owner; whether it is to prevent the spread of a fire or only to protect the house in which it happens; also, it is not clear what was the intention with regard to making buildings themselves substantial to protect them from falling; those two points are not quite clear, and I think another difficulty is that it is not clear enough for an ordinary builder to understand. If this Act, as it is now drawn up, was to go before a magistrate, we should have every difficulty that we have had before, and probably some other as well; but if it were to go before a special magistrate, I have no doubt a large portion of it could be worked. I will mention one thing in connection with the present Bill; that is to say, the subsequent use of a building for a different purpose from what it was originally constructed for, and unless an alteration is made in the building at the time it is put to a different use, the consequence is that a building that is quite unfit for it, is used for hazardous purposes.

2735. With regard to the plugging of old walls, do not you think it would be very desirable to have it compulsory, in all cases of plugging, that iron wall-hooks should be used?—No plugging should be used in any party wall at all.

2736. What I mean is, that it should be done by iron wall-hooks, instead of plugs?—Even in that case it is important that even iron should not be driven into flues, but to get rid of plugs entirely.

2737. But would not iron plugs be desirable in some cases?—Decidedly.

2738. Iron wall-hooks are the only way in which it can be properly done, are they not?—The extensive use of cement skirtings is a very much more desirable thing, as far as possible, to encourage.

2739. Mr. *Kinnaird.*] Instead of wood?—Instead of wood.

2740. Mr. *Lanyon.*] With regard to the use of four-inch flues, do you not think it would be desirable to make it compulsory to use fire cans of fire clay, and pipes of fire clay, in new buildings?—No; the use of pipes in walls tends to weaken them very much; there is no bonding in pipes; the gain would not compensate for that. Besides, wherever pipes are used, the soot is so very liable to come down from the top to the bottom as to be a very great inconvenience, which it is not necessary to subject the occupants of a house to.

2741. With regard to the want of bond, I do not agree, because you have your flue, and within that flue you put your circular tiling, do you not?—If you put up a pipe, and build round that pipe to make your flue, you will, generally speaking, not make such a sound wall as you will otherwise. Of course, if you make it thicker, and provide the proper space which you want for the flue, it would be sound; but as a wall is built in cases of ordinary brickwork, built in courses of four inches each, when you come to have a wall a foot long running between them, it very much increases the difficulty; and practically, I never saw one with pipes in which the ordinary work was well done in bonding the brickwork together. You have to fill in the corners, and then to fill in beyond the corners; the fact of the pargetting being outside of a flue really protects it more than is done by the pipe.

2742. Mr. *Turner.*] It does not seem very obvious to the Committee how, if you build a flue just as strong as you would do, without the insertion of a pipe, the insertion of a pipe makes it weaker?—You put in a pipe while you are building the flue, and then it is more difficult to bond it well.

2743. Of what nature is the pipe?—It is a 12 inch pipe.

2744. You would only go down 12 inches then?—You build round it, and as it is the object to save as many bricks as they can, they will use a good deal of rubble.

2745. But suppose you had a flue of from nine inches to a foot square, and you had a pipe, the outside diameter of which was a foot, it would fit tight

ght in, would it not?—That could be done, but ractically it would be more trouble for the work-en to do it.

2746. Mr. *Lanyon.*] There is no reason against except that in practice it is always carelessly ne?—Just so.

2747. Mr. *Turner.*] Is not another thing very able to happen, when you have no pipe, that e workmen make the flue imperfect, and that e mortar (it being only a 4½ inch brick) drops t from the flue, and then the fire escapes through e hole in the wall, occasioned by the mortar lling out?—The rendering on the outside of the ue is a great protection against fire.

2748. But if the mortar is not well spread you ve nothing but the outside rendering, which otects you from the fire?—That is a most com-on case.

2749. Therefore, if a piece of timber comes gainst a flue in the flooring of the room which it sses through, you have nothing to protect it gainst the heated chimney but the rendering tside; the four inches is practically nothing, d if the flue is ill-built the mortar fills it?—hat only arises when a flue catches fire; the ur inches is quite protection enough with the laster outside, the open joins are not causes of re, except when the chimney is on fire.

2750. But if a chimney is perpetually on fire, d the mortar falls out, you have nothing be-ween the fire and the outside rendering?—xactly.

2751. If a flue is not well built, and the mortar ot well made, or well laid, that is the practical ffect of it?—No doubt, but if there was the plas-r on the outside I never knew an instance of a re coming through four-inch work so as to set re to anything, except the heat has been so great at it has gradually burnt through.

2752. Take the fire at Crewe House, in Staf-rdshire; the flues got heated in that case, did ey not?—Most likely, from the timber being o close to the flues, and probably some altera-ons had taken place.

2753. Is it not practicable to make the flue quare, if it were desirable?—They do occa-onally put square nine-inch flues, but to make a ue a foot square they cannot do, with the pre-nt form of bricks.

2754. But surely they can make bricks for at purpose?—They will not do it. Practically at would be a difficulty.

2755. Mr. *Kinnaird.*] With regard to the nswer that you gave to the Honourable Member r Liverpool, I understand you to say that you elieve that there is no increase in the number of res?—The percentage of fires in London is not reater than it was some years ago.

2756. Is that a mere impression, or do you get from statistics?—I get it from a statement at y office. I have not examined it carefully, but o far as my own experience goes, I can say, ertainly, that there has not been an increase in y insurances.

2757. We have the contrary in evidence at uestion 1768, the answer to which is: "I find e number of fires in proportion to the number of houses, in 1852, was one fire for every 354 houses, whereas, in the year 1862, there was one fire for every 291 houses, showing an increase of at least one-fourth on the fires of 1852"?—I do not think that that proves anything, except that one year there were more fires, as you peculiarly will be aware that in almost every fire office one year in seven is a loss; there is a profit in six years out of seven, and one year is a loss; and therefore, unless you really take the tables for each year, I do not think they would show anything.

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2758. Those figures were taken immediately after the Census of 1851 and 1861, but you demur to their accuracy?—My own experience rather leads the other way, and my own information tends to confirm it.

2759. Now with regard to incendiary fires, have they multiplied in your experience?—It seems that incendiary fires, especially in the country, have a run, but I am inclined to think, that incendiary fires in London have increased.

2760. Can you give any reason for that?—I look upon it thus, that there are a larger number of persons who have improved in roguery; it is more a matter of business than it used to be.

2761. Have you seen the report of the Metropolitan Board of Works?—I have seen it, but I have not read it.

2762. The statement is, that the fires of 1866, compared with 1865, show a decrease of 164, but that, compared with the average of the last 33 years, there is an increase of 457 fires?—The Metropolitan Board of Works does not take in the whole of London, or anything like it.

2763. When you say "London," what do you mean?—I take in all that which is around London; I should include Kilburn and Stratford.

2764. The area round London, in fact?—Yes.

2765. *Chairman.*] Is there anything that you wish to add to your evidence?—There is one other point, and that is the Volunteer Fire Brigade; there is, as you are aware, at present, an Act, by which servants are liable to punishment, for accidentally setting fire to houses, but it is never enforced; the only form in which it is enforced is, when chimneys are on fire.

2766. But it is the occupant of the house who is liable in that case, is it not?—The owner of the house is rendered liable. In the case of negligence of servants, where the house is burnt down, the servant is liable, but never proceeded against. The owners are constantly proceeded against, and it occasionally gives them an interest in trying, in case of a house catching fire from the chimney, that the whole should be burnt, because they are sure to be fined. In any case, the rewards to engines have been stopped, I understand, but that arose probably from the fact, that what were called squirts or small useless engines were usually brought first to a fire. Another thing, and a great thing in fires, is the storing of timber on roofs by pianoforte makers and other persons. There is no provision against that by law at present.

Mr. Charles White, called; and Examined.

2767. *Chairman.*] I believe you are an uctioneer and assessor of losses by fire?—I am a partnership with my brother; we are assessors o the County Fire Office, one of the old and eading offices.

2768. How many losses have you arranged?—1,200 myself.

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2769. In how many years?—In 12 years.

2770. That is at the rate of 100 a year?—Yes.

2771. What are the duties of your office?—

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As soon as I receive information of a fire I visit the premises, and endeavour to ascertain the origin; I then ask the insured to make a detailed statement of the loss, and if necessary ascertain where the goods were purchased, and as to the amount sold during a certain period; if the premises are entirely destroyed, after receiving the claim, I give instructions for the ruins to be sifted, and sometimes washed, so as to find the remains or traces of articles claimed; for instance, we find feather beds, linen in drawers, collars and cuffs of coats, locks, iron work, jewellery, &c.

2772. With what class of persons are fires most frequent?—Small shopkeepers on the verge of bankruptcy; detainers are frequently lodged at the office against payment; foreigners, principally of the Hebrew persuasion, Germans, or Poles; some few years since we had six fires in one night of the latter class of persons; in two instances the office refused to pay; actions were brought, and the companies were successful; this had the effect of decreasing the number of fires of this kind; the stock of these persons consists principally of dummies or imitation goods made of plaster of Paris; cheesemongers and chandler-shop keepers, have half tubs of butter, sides of bacon, bladders of lard, cheeses; grocers have loaves of sugar, chests of tea, and reams of paper; tobacconists have cigars in bundles; tailors and linendrapers, rolls of cloth made of straw, and parcels filled with sawdust; publicans, wine merchants and perfumers, the contents of bottles are coloured water.

2773. Have you discovered those things yourself in your inquiries?—Yes.

2774. From what cause are fires most frequent?—I have made a tabular statement of the losses settled by my brother and myself for two years, 1865 and 1866; the number is 636; these are not all losses in the County Fire Office, but losses in the County, Royal, Commercial Union, North British and Mercantile, Scottish Commercial, London and Southwark, City and County, European, Albert, and Empire Insurance Companies; the total amount claimed was 125,453 *l.* 17 *s.* 8 *d.*, and the amount allowed was 83,874 *l.* 5 *s.* 6 *d.*, being an average reduction of 33 per cent. There are 158 of those claims which were not reduced; 111 are under 10 *l.* each. In the reductions of those statements under five per cent. there are 15; exceeding five per cent. and not exceeding 10 per cent., 27; exceeding 10 per cent. and not exceeding 15 per cent., 44; exceeding 15 per cent. and not exceeding 20 per cent., 60; exceeding 20 per cent. and not exceeding 25 per cent., 52; exceeding 25 per cent. and not exceeding 30 per cent., 45; exceeding 30 per cent. and not exceeding 35 per cent., 47; exceeding 35 per cent. and not exceeding 40 per cent., 36; exceeding 40 per cent. and not exceeding 45 per cent., 33; exceeding 45 per cent. and not exceeding 50 per cent., 30; exceeding 50 per cent. and not exceeding 55 per cent., 23; exceeding 55 per cent. and not exceeding 60 per cent., 15; exceeding 60 per cent. and not exceeding 65 per cent., 18; exceeding 65 per cent. and not exceeding 70 per cent., 17; exceeding 70 per cent. and not exceeding 75 per cent., 4; exceeding 75 per cent. and not exceeding 80 per cent., 5; exceeding 80 per cent. and not exceeding 85 per cent., 3; exceeding 85 per cent. and not exceeding 90 per cent., 3; at 95 per cent., 1. The causes of fire are included in a list I have here, which I will put in.

2775. The unknown cases are 118?—Yes.

2776. And 40 are marked "incendiary?"—Yes.

2777. That makes a total of 158?—Yes.

2778. In those unknown fires, are any of them suspicious?—They are all suspicious, though they are marked "unknown."

2779. What makes you suppose them suspicious?—The exorbitant claims made is one reason.

2780. Take the case of a proprietor through whose property a railway passes, he always makes a larger claim than he expects to get, but is it fair to say that that is a suspicious case?—That is a case of compensation for land or buildings, I presume. No.

2781. A man goes to sell a horse, and asks 10 *l.* more than he expects to get, that is quite usual in making a bargain?—Yes.

2782. A man has his house burnt down, and makes a claim of 100 *l.* more than he expects to obtain, would you say that that was a suspicious case?—Much would depend as to the quantity of stock or furniture, and amount insured. No, I think not.

2783. You would not, then, say that all those unknown cases were suspicious?—Nearly all are very unsatisfactory as to origin; on inquiry the insured state that they do not know; the place is entirely destroyed, and it is a very difficult thing to ascertain.

2784. You have got 40 cases of incendiarism marked?—Yes; the farmer says, "I left it all secure at night." I presume it must have been set on fire.

2785. It is only a presumption?—Yes; most of them are only presumptions.

2786. Are any of them proved to be incendiary fires by actual prosecution of the parties?—Yes; in three cases parties confessed, and they were transported.

2787. There are 62 cases of fire from candles; what do you mean by that?—Servants have been leaving rooms hurriedly, and the sparks fall on the clothes behind the doors, bed hangings and other light fabrics.

2788. You have got, "children playing with matches, 34"?—Yes; children have often acknowledged to me that they have set fire to ricks to see the effect of their burning.

2789. "Clothes airing," 44 cases?—Yes; I think clothes are put wilfully near to fires.

2790. You have got "92 cases from fire in adjoining premises"; how did those originate?—Those are cases of damage by water and removal; we do not inquire into their origin.

2791. In what trades generally do you find the most frequent fires?—In private houses there were 149 cases.

2792. Farmers?—Yes; a great many farmers.

2793. One hundred and twenty-three?—Yes; 123.

2794. Were many of those incendiary fires?—Yes; a great many.

2795. Arising from smoking, or malice, or what?—There were 21 from smoking, 11 from working steam thrashing machines too near the stacks; sometimes those persons letting out steam threshing machines, when the machine is old and nearly worn out, place them too near the ricks purposely, so as to get a new one.

2796. That is not incendiarism?—No. The farmer says: "I think the ricks have been set on fire."

2797. Do you find many fires in small shops?—They are principally small shopkeepers.

2798. What class of dealers are they?—Chandlers'

'handlers' shopkeepers, and clothiers; all trades, n fact.

2799. Have you traced the causes of any fires n those shops to inflammable oils?—Yes; to aving too large a quantity of explosive oils; araffin and others.

2800. Could you prove that?—Yes; I have nown several instances where people have been urnt to death and others much injured, particuarly at oil shops.

2801. Have you turned your attention to the ays of the week on which those fires principally ccur?—Yes; more fires occur on Mondays than n any other day.

2802. Have you observed what has been the ause that more fires occur on Monday?—No; ot particularly.

2803. About what time of the day do they appen?—Most fires happen about 10 p.m.

2804. Between 7 p.m. and 10 p.m.?—Yes.

2805. A great part of the unknown fires ocur between 7 and 10 at night?—No doubt.

2806. What is the cause of that do you think? -That is the time they shut up the shops and ave the premises.

2807. But do you not think many of those res occur from accident?—Not where the eople walk out of the premises and leave behind nem that which they know will cause a fire.

2808. Are you practically aware of many susicious or doubtful fires?—Yes; a great many.

2809. What percentage of them?—About 50 er cent.

2810. Of the whole?—Yes; about half of the hole of the fires; I infer that from the exorbiant claims, and circumstances connected with hem, detainers are lodged at the office against he money often.

2811. Mr. *Tite.*] That is within your own xperience, in fact?—Yes; within my own exerience.

2812. *Chairman.*]-How do these fires originate? -From a small hole in a gas pipe, pierced with needle, done intentionally, and then ignited fter shutting up shop; at first it burns very lowly, then it increases as the pipe melts; some imes the gas is left alight at one burner, and all he other taps are left turned on, so as to cause n explosion. Wax tapers are frequently left to urn for two or three hours, to give an opporunity of getting away; combustible materials are ometimes placed at the end, such as naphtha nd paraffin; oil of tar is frequently smeared on he floors and articles of furniture. Many fires re discovered under staircases, the doors being eft open to give ventilation and draught. Fires re sometimes caused by servants robbing their mployers, to prevent discovery; and by workmen from spite, more particularly in unfurnished uildings. Some fires are caused by carelessness, nd the insured knowing he is in needy circumtances, does not attempt to extinguish the fire, t being to his benefit to let it burn.

2813. Mr. *Turner.*] Did you ever know of a olicy being burnt?—Those persons having fires here the origin is suspicious or making excesive claims, invariably save the policy, thinking hat they could not recover from the office without.

2814. *Chairman.*] Do you think the comanies are sufficiently careful in accepting insurnces?—I think the offices are very careless, nore particularly those lately established. I am ositive that some of the gentlemen making inpections know very little of the value of the goods. I think that all proposals of insurance should be surveyed. I have known instances where it has been further for the insured to go to the house of the agent than to the chief office. I have known two instances where actions were brought, this came out in evidence: a party residing in Lambeth went to the City-road to insure, and passed the chief office in Lombard-street; another one went three miles, to Clapham, instead of to the principal office. "If there were no receivers there would be no thieves."

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2815. Mr. *Tite.*] The competition has a good deal to do with that, has it not?—No doubt.

2816. *Chairman.*] Do you find that the offices are alert enough in investigating into the causes of fires when they do occur?—I do the best I can myself, but it is difficult, particularly where the premises are wholly destroyed.

2817. Have there been any prosecutions lately in London for arson?—Yes; three within four months; and in each case the parties have been found guilty and sentenced to 10 years penal servitude; one only last week in which I was engaged.

2818. Can you suggest any means for preventing these numerous fires?—I am positive that if it was known that a judicial inquiry would be held on suspicious fires, a reduction would be made in the first year of 20 per cent. I think that a restriction should be made as to the sale of lucifer matches; gunpowder should only be allowed to be kept in small quantities. As to jute, coir yarn, and saltpetre, in warehouses, they should be separately stored; party walls of warehouses, which are, in my humble opinion, the only effectual means of stopping the progress of a fire should be at least six feet above the crown of the roof. In many of the new warehouses the roofs are considerably higher than the party walls. In Humphreys' Wharf and some of the wharves in Tooley-street, that is the case. The openings and windows should be covered with iron; the iron doors should be made to close from the outside; it frequently happens that when a fire occurs the doors are left open. If artificial light be admitted it should be stationary, and enclosed; if there is any lamp room it should be detached.

2819. Is it part of your duty to inquire into the proper classification of goods in warehouses? —No, it is not.

2820. You are clearly of opinion that a judicial inquiry would tend very much to diminish the number of fires?—I think it would reduce them immensely.

2821. How do you think such an inquiry should be gone into?—I think there should be a gentleman appointed for that office only. He should be assisted by detective police, and should have some knowledge of chemistry.

2822. By whom, in your opinion, should that officer be appointed?—By Government. It is for the benefit of the public at large. Arson is a crime, like picking pockets.

2823. You would consider that every fire should be treated as an offence?—Yes.

2824. And should be inquired into as such?—Yes; suspicious fires.

2825. But how are you to know which are suspicious and which are not?—If we see a fire under a counter with paper and naphtha, anybody can see it is a suspicious fire.

2826. But who is to make the inquiry and decide?—Those that are at the fire; perhaps the Fire Brigade, who should then communicate to the assessor of losses.

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2827. But do you think the insurance company or the assessor ought to be a public prosecutor?—The assessor would know much about the fire.

2828. But who is to prosecute?—Suppose there is a gentleman appointed to inquire, if he had 12 detective officers, they should communicate with the assessor, and then the assessor with the gentleman appointed, whoever he might be. You might ask how the fire happened, and the insured would say that he did not know; he did not cause it; what can you do—you cannot prove it.

2829. How would the officer be paid?—As it is for the public benefit, it might be paid out of the Brigade rate.

2830. By a salary?—No; by fees I think; so much for each fire.

2831. You refer only to London I suppose?—Say Manchester, Liverpool, Birmingham, and all large towns.

2832. How would you do in country districts?—I think the chief constable should be the gentleman to move there; I find the superintendents of police generally very intelligent men. My instructions at the County Fire Office, are never to prosecute.

2833. Mr. *Tite.*] The companies will endure anything rather than prosecute?—I think so.

2834. Mr. *Lusk.*] You have settled about 100 cases a year?—My brother and myself have settled within two years, 636 losses by fire.

2835. You say that a large number of the fires you have are suspicious?—Yes.

2836. In what respect do you consider them suspicious?—Suppose I found the flooring covered with tar, and found paper under the counter that should not be there, steeped in naphtha, or that I found fires in two or three places at one time, that is, I think, very suspicious.

2837. Are all the cases marked "suspicious" in your list of that character?—Yes.

2838. Does the suspicion arise in consequence of anything in the claim?—Yes; the claims which we do not receive until some time after are frequently very exorbitant. I have seen six fires at one time in different parts of a building.

2839. Do you think a man should always send in a strictly correct claim?—He might from erroneous judgment claim a little over; say 10 or 15 per cent.

2840. But take a man who is strictly conscientious?—I think he should send in a correct claim, if he is strictly honest.

2841. Is there any class of people who are very unfortunate in having frequent fires?—In Jews from Poland and Germany there are a very great many. Jews are very unfortunate.

2842. I ask that because I have seen the same thing mentioned in America?—Yes.

2843. Is there any particular class of tradesmen among which fires occur frequently?—Yes; chandler shopkeepers, clothiers, grocers, and dealers in unredeemed pledges; the sort of shops Jews frequently keep.

2844. Are they often people in needy circumstances?—Yes; directly a fire happens a detainer is often lodged against the money.

2845. Do you find that fires occur more among the needy and the poor than the well-to-do?—Yes.

2846. Do you think that the offices take care enough in receiving risks?—No; I think the competition is too great.

2847. You think that that is the cause of many fires?—Yes.

2848. The offices put temptation in the people's way?—Yes; it is very easy to get insured, where a policy is issued for 1,000 *l.* for stock, and there is not perhaps 350 *l.* worth; I mentioned the circumstance to the manager of one of the offices lately, who said, "It does not matter how much they insure for, because they will not get it."

2849. Then if the offices are reckless in taking risks, how should we be able to cure this disease by legislation?—There is a difficulty.

2850. You think that there should be an investigation in every case of fire?—No, not in every case.

2851. How do you propose to make the exception?—The assessor of losses would be able to judge.

2852. Do you know that a man who has his chimney on fire may be summoned before a magistrate?—Yes.

2853. Do you think that there should be any exception with regard to summoning those who have fires in their houses?—None.

2854. You think there should be a summons taken out against every man who has a fire in his house?—That would be rather hard, I think, where the fire is accidental.

2855. But if you make exceptions who is to be the judge whether there shall be proceedings or not?—I think the assessor of losses should be the judge.

2856. Is he a person that the public would have confidence in?—I do not know. The person appointed should be well-educated, a barrister, perhaps.

2857. Would it not be better to go to the magistrate at once?—He would be a very good man, no doubt.

2858. It would be best to take the man before the magistrate at once, you think?—Yes.

2859. And fine him 1 *s.* or 5 *l.*, as the case might be; would you approve of that suggestion?—That would be a very excellent suggestion, I think.

2860. Mr. *Kinnaird.*] Can you quote any instances within your own knowledge, where a judicial investigation would have been beneficial?—I will give a few cases; in the first case, the person was a clothier; the cause of fire was very suspicious; he arose at six o'clock, lit the fire in the shop, and went out for a walk, and the house was on fire 10 minutes after he left; his aunt was burnt to death; her life, in which he had no interest, was insured in two offices; and he got the money he claimed for loss by fire, 680 *l.* 10 *s.*, and was allowed 305 *l.* 15 *s.*; that was settled by arbitration, and was 5 *l.* in excess of my offer.

2861. He had two policies on the life of the aunt in that case?—Yes. There is another case; there was a person in business for about four months; two brothers had four fires, and there was notice sent from the Superintendent of the Fire Brigade not to insure. They effected an insurance in an office not belonging to the establishment, which did not therefore receive notice. The amount claimed was 565 *l.* 12 *s.* amongst which was an item of 10,000 *l.*, for bird skins, which he said were purchased at the door from sailors; the amount allowed was 350 *l.* He brought an action for trespass for keeping a man in possession, and obtained a verdict for 50 *l.* in the Sheriffs' Court; the jury determined the verdict before hearing the defence and asked if they could not give more than 50 *l.* A juryman, who was a Jew, got up and said,

"We

We have quite made up our minds to give it
ainst the Insurance Company."

2862. You think that the sympathies of juries
nerally are against the insurance offices?—
s; decidedly.

2863. You have been at a good many trials,
ve you not?—Yes.

2864. And you observe that that is the effect
those trials, whatever the evidence is?—Yes.
re is another case of a publican in the country.
e lodger spoke to the insured on the stairs
ut 3 a.m., and the fire was discovered ten
nutes after. That was a bad case. The police
re desirous to prosecute, but the office de-
ned. There had been two previous fires
hin 24 hours. The police suspected that there
s something wrong, and gave notice to the
oining occupiers to increase their insu-
ces. The amount claimed in that case was
7 *l.* 8 *s.* 7½ *d.*, and the amount allowed by the
ce's solicitor was 650 *l.* In another case, the
of the assured was the last to leave the spot
ere the fire was discovered. There was an
rbitant claim for 5,148 *l.* 18 *s.* 11 *d.*; and the
ount allowed was 3,100 *l.* That was a case for
uiry. There was another case, in which a
n had been insured a few months, and he had
l previous fires. The contents and interior
the building were found to be coated with
of tar. (This is the case tried last week).
ere were watches found that had been
previous fires. The heat which a professor of
emistry stated was required to fuse a watch
e such as was found, was 2,000 degrees,
ereas it was only 400 degrees when the fire
s at the highest; he was prosecuted, committed
trial, found guilty, and sentenced to 10 years'
al servitude. Here is another case of a
ntleman who had a six-roomed house; a fire
ke out in the back room first floor, used as a
chen, and one on the landing. There were
ves of the "London News" found partly
nt, and the consecutive pages were found in
of the drawers of the assured; he was
secuted and remanded, but nevertheless
uitted. A wheelwright living in Kent had
r fires at one time; he had only been insured a
r months; he claimed 30 *l.* 2 *s.* 6 *d.*, and was
wed 4 *l.* 12 *s.* 6 *d.*; I think they might have
victed him. Here is another case in one
the squares: the wife told me she had a
am, and informed us we should find wool, and
ces of timber and newspaper between the
s and flooring, which we found, we had
same analyzed, but the spirit had evaporated.
e office declined to prosecute; the amount
imed was 340 *l.* 3 *s.*, and they were allowed
) *l.* There is another instance of a leather-bag
ker, who had been insured for two months; he
away from Paris with his employer's wife
l 70,000 francs; he claimed 1,150 *l.*, and he
s allowed 390 *l.* That is the kind of case that
uld be inquired into. Here again is the case
a beer-seller a foreigner, who had been in
siness about three months; he was a dealer in
e coin: we received information that he carried
agger, and that if the surveyor did not pay
n he would stab him; I think we might have
victed him.

2865. Have you known goods to be claimed for
t had been in more than one fire?—Yes; that
ne out with regard to the watches.

2866. And I suppose you have known other
es?—Yes; several.

2867. What is the greatest number of fires that you have known one person to have?—Five.

2868. In how many years?—In about three years.

2869. Were those persons insured at different offices?—Yes; at different offices.

2870. Do you find that persons having wilful fires or making exorbitant claims, are usually over-insured?—Persons having wilful fires are always over insured, and are frequently burnt out on deposit receipts previous to receiving the policy.

2871. Is there a class of persons who get their living by making out claims against the insurance offices?—Yes.

2872. Do they make exorbitant claims?—They prejudice the assured against the offices, and they make very exorbitant claims.

2873. How are they paid?—Five per cent. on the amount paid by the office, and a bonus; they say, "I will charge five per cent.;" the sufferer might say, "My loss is so many hundreds"; the claim-maker will say, "If I get you 200 *l.* more, perhaps you will divide the amount with me"; so they get five per cent. and half the bonus.

2874. Do some of those persons realize tolerably large incomes?—I should say that several of them realize from 500 *l.* to 1,000 *l.* a year; here is one of their cards:—

"Mr. * * *, Offices, * * *, Licensed Appraiser, Surveyor, and 15 years' experience as Assessor of Losses by Fire for every description of property. Speedy settlements arranged with any of the Insurance Companies. Heir Spriucht Mien Deutcshe. Cash advanced to sufferers without interest. Upwards of 1,000 Testimonials can be seen for speedy settlements. *N.B.*—No connection with any person in the Trade."

2875. How do they get information of fires?—No doubt from those that attend them; and, I have heard, from the messengers of insurance companies; I would suggest that the Brigade report should not lay open on the counter for the inspection of any one; they are frequently exposed on the counters of the offices.

2876. Have you tried to stop their obtaining their information?—Yes; but it is useless.

2877. That is a business carried on to a very great extent?—Yes.

2878. Mr. *Lush.*] If men will make those scandalous claims, and if the offices continue to pay them, what do you think Parliament could possibly do?—I can make no suggestion, but that is the fact; the offices do not like to expose these cases, and I think they are very wise. Take, for instance, the fire which occurred some years since at Kensington; it was mentioned in the newspapers that there had been a meeting of the parishioners at St. Martin's vestry, and that it had been determined to discontinue insuring the parish church in the Sun. I think the business of that office was affected in consequence. I think the insurance offices would rather put up with a wrongful claim than have these exposures.

2879. *Chairman.*] Have you anything to say that you would like to add to your evidence?—Yes; I think the fire offices should print on the back of their receipts, or occasionally send out with their Renewal notices, instructions for inmates to escape from buildings on fire, as issued by the Royal Society for the Protection of Life from Fire; a more general knowledge of these would possibly be the means of saving many live.—(*The Witness handed in certain Papers*, vide *Appendix.*)

Thursday, 16th May 1867.

MEMBERS PRESENT:

Mr. Agar-Ellis.
Mr. Beach.
Mr. Gorst.
Mr. Horsfall.
Mr. Kinnaird.
Mr. Laird.
Mr. Lanyon.
Mr. Lusk.
Mr. M'Lagan.
Mr. Miller.
Mr. Tite.
Mr. Turner.
Mr. Whitmore.

PETER M'LAGAN, Esq., in the Chair.

Mr. William Harding Whiffin, called in; and Examined.

Mr. *W. H. Whiffin.*

16 May 1867.

2880. Mr. *Tite.*] You are Secretary of the West Middlesex Waterworks, are you not?—I am.

2881. How long have you been secretary of that company?—For 13 years; I was in the office before that for 24 years.

2882. You are very well acquainted with all that relates to the management of the company and its operations, I presume?—Yes.

2883. What is the extent of the district supplied by your company?—It is very extensive, comprising more than 36,000 houses, commencing at the lower end of Oxford-street, near St. Giles's, taking all westward of Tottenham Court-road, and all St. Pancras that lies westward of Hampstead-road, taking part of Hampstead, going up to Willesden and Hendon, nearly the whole of the parish of Marylebone, a great portion of Kensington, a great portion of Hammersmith, and as far as Kew Bridge, and a portion also of Fulham.

2884. You take the water from the upper Thames at Walton, do you not?—Above Hampton.

2885. How much water do you take daily?—On an average over 8,000,000 gallons.

2886. How much can you take under your Act?—Twenty million gallons.

2887. You do not take half that quantity at the present moment?—No; we never but on one occasion reached half that quantity.

2888. You have offered a good many suggestions with regard to the very obvious necessity for the immediate supply of water at fires?—Yes.

2889. Have you had many complaints in your district of the want of water at any fires of importance?—No, there has been hardly a complaint after the turncock has been there; there is an occasional complaint of the water not being ready when the engines arrive; but they are very few.

2890. What course does your company take with regard to calling the turncock; do you pay a fee to any man who calls the turncock, he being the first man?—Yes, 2 *s.* 6 *d.*

2891. Whether the man is a fireman or not?—Whether the man is a fireman or not.

2892. You have put before me a return which shows that recently the fee paid by you has fallen off enormously?—It has fallen off enormously in the aggregate amount.

2893. Why is that?—Because there are no calls; the turncocks do not get one call in half-a-dozen; there seems to be no desire, on the part of the public to call the turncocks. Formerly, there used to be loiterers about the stations night and day, who would run off at once, but, I believe that they do not get rewards for calling the engines as they used to do; there is something paid I believe, but it is very trifling.

2894. It seems that in one year, you, on the part of your company, paid in those fees £ 2 *s.* 6 *d.*, 72 *l.*, while in the last year it was only 10 *l.* 5 *s.*?—That is it; the men used to have between 400 and 500 calls, and last year it was only 82.

2895. Still you have no complaints of want of water?—No.

2896. What arrangements have your company made that the turncock, who is a most important officer, should be at hand when a fire occurs; have you supplied tools, for instance, for the use of the fire brigade?—Yes, we have supplied all the fire brigade stations with tools, and we are quite willing to instruct the men in the use of them.

2897. Are the men instructed in the use of them?—No; they have declined, or, perhaps not lately but formerly, they did so; they have never made any application to us to instruct them.

2898. Have the tools been accepted by the fire brigade?—Yes, they have got them now.

2899. Have they got them at every station in your district?—At every station in our district.

2900. You do not think that the complaint of the want of water arising from any laches on the part of the turncocks, is very well founded?—I am quite sure it is not.

2901. Are the addresses of the turncocks written up in the various stations?—No, they are given to the police, and they are given to the vestries, and published in the vestry return every year; but the fire brigade have not accepted the offer which I made to Captain Shaw, that the residences of the turncocks should be put up in the stations. I think it would be desirable, however.

2902. Has

2902. Has he refused?—No; he has simply t acknowledged.

2903. What suggestions have you to make in ler to secure the attention of the turncocks? I think there should be always some one at the -stations, whose special duty it would be to id for the turncock. That might be easily ne by having two lads, one for the night and e for the day.

2904. They should know where to find the ncocks, of course?—Yes. After the turn-k's work is done he would of course be at home. e confine them to their houses very strictly.

2905. Does your company find the house for man to live in?—Yes.

2906. In the district?—We thought it was not ll to have them shifting about in lodgings. We ve worn out one or two 21 years' leases, and have provided stations for them always to be hand.

2907. Is there any other suggestion that you n make on that subject?—It seems to me that ting at the turncock is the most desirable ng possible; and as I understand that the ard of Works are going to obtain new sites for ge fire-engine stations, I would suggest that would be well to provide apartments for the ncocks in those stations, and then the men uld always be at hand except when they were work. It would be a certainty of attendance 10 or 12 hours out of the 24. They would ays be at hand, and they would be called at same time as the firemen were called, and y would be at the fire first.

2908. You do not mean that the Board of orks should do that out of the rates; you uld pay the rent, I suppose?—Yes; we pay rent now. It would make no difference whom pay; it is part of an arrangement which we ke with them in their wages; we deduct so ch a-week. Of course it costs the company reat deal more.

2909. Are the turncocks pretty well paid?— s. Since the rewards have been done away h for fires we have made an increase in the n's wages. That was made the ground of an plication to the Board, because their perquisites re decreased, and we raised the scale of wages 21 *s.* and 24 *s.* per week to 24 *s.* and 27 *s.* per k.

2910. Those are the suggestions which you r to the Committee with regard to your cers being at hand when the fire occurs?— s.

2911. Have you any figures to place before Committee, or any suggestions to make with ard to the water supply in the streets, if there re distinct mains with a constant supply of ter for fires and stand-cocks, have you any ort from your engineer what it would cost to that?—Not through our district; but that is uestion we have had to consider in consulta-n with regard to the evidence we should be uired to give before another Committee, and eminent engineer, independent of our own, imates that it would cost at least 3,000,000 *l.*

2912. You estimate that it would cost 3,000,000 *l.* supply a district main with a reservoir?— s; separate district mains, with a reservoir at a tain elevation.

2913. With regard to the general question of stant supply, that under your present Act of liament, may be demanded if a certain num-of people in the district join in asking for it?— .84.

Yes; if four-fifths of the inhabitants in a district by a requisition to the Company, require a constant supply of water, and set their own house fittings in order, to prevent waste, then the other parties may be coerced to set their fittings in order, and a constant supply must be given.

2914. That being the law, have you had any discussion in your committee of the cost of changing those house-fittings throughout the metropolis?—Yes.

2915. What is the opinion of the engineers on that subject?—They are of opinion that they would cost from 6 *l.* to 8 *l.* or 10 *l.* on an average per house. Some say the one figure and some the other, but they all agree that it would cost the inhabitants to set all the houses in order with fittings for constant supply, at least two million and a half of money; some go so far as to say that it would cost three millions.

2916. Is that your own conviction?—I think that the house fittings in London are in a very sad state, the waste under the intermitting system is very great, and it would be increased tenfold under a constant supply, unless that were done. It would make no difference to us, if we could give a constant supply without any additional waste, but it would entail much supervision of fittings for ever after they were once set in order; there would be not only an intrusive supervision, but an inquisitorial inspection, as the water-closets are so numerous; everybody is forced to have a water-closet and a cistern; those are the means of waste of water; perhaps the cistern has a defective ball cock, and the water-closet is liable to get out of order.

2917. Is there anything in the difficulty of the constant supply of the lower level being overdone and the upper level being neglected?—Yes, that would be the case; the water necessarily gravitates, and if you get 300 feet on the lower level you get much greater waste going on there than on the higher level, so that, instead of having to open one or two cocks to charge the service, you would have to shut up 40 or 50 services before you would get it up to the higher levels.

2918. What is the highest level you get to in your works?—Barrow Hill is now our highest reservoir: it is 177 feet above the level of the Thames, but we have pumping engines that lift the water 120 or 140 feet higher. At this moment we are constructing another reservoir in the Finchley Road, which will be 310 feet high.

2919. And perhaps the engine would lift 120 feet above that?—We have no engine there, but I dare say, from the increase of buildings thereabouts, we shall be forced to do that by and by; but the 310 feet would govern all our new district around that upper part for which we obtained an Act of Parliament last year.

2920. Mr. *Gorst.*] You say that all the fire stations are supplied with tools to turn the water on?—Yes.

2921. Do they actually ever use those tools?—I believe not.

2922. When the fire brigade go to a fire they do not generally get a proper supply of water until the arrival of the turncock, do they?—I think not.

2923. How long would it take to teach the firemen to use those tools?—We can teach a new man his district in a month; and then he has to learn the streets to which the water is served, but a fireman would only have to learn where the main and service cocks are.

 2924. You

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2924. You think that that could be done without any very great amount of time and trouble?—Yes; he could go round at any time when it is convenient with the turncock, and learn the districts.

2925. Mr. *Tite.*] Had you ever any communication with the late Mr. Braidwood, on the subject of the turncock system?—Yes; many years ago, in Mr. Knight's time; it is 25 years since.

2926. What did he say?—That he would not undertake the responsibility of having his men taught. He said that it was enough for him to look after the fires.

2927. Have you had any distinct complaint from Captain Shaw of the want of water in your district?—No; not of want of water, but of the lateness of the turncocks. We have had 46 fires in our district this year, and I have had two letters from the Board of Works, complaining that the turncocks were 10 minutes behind time.

2928. Mr. *Gorst.*] You wish it to be understood that you have had complaints of the turncocks not arriving in time, and therefore a deficiency of water at first?—Yes.

2929. But on the turncocks arriving the supply is found sufficient?—Yes.

2930. Mr. *Tite.*] There is no want of water the moment you get the man there who understands it?—No; our works are under great pressure with the principal mains.

2931. The great mains are generally charged?—Yes, and most of the collateral mains.

2932. The turncock has to turn the water on to the actual spot where the fire is, and in a narrow street the main may not run; that is his duty, and nothing else, is it not?—Just so.

2933. *Chairman.*] Have you anything to add to your evidence?—No.

Professor Lyon Playfair, called in; and Examined.

Professor *L. Playfair.*

2934. *Chairman.*] You are Professor of Chemistry at the University of Edinburgh?—I am.

2935. Have you paid considerable attention to the applications of chemistry to the arts?—I have.

2936. You are besides a director of Young's Paraffin Company?—Yes, I am one of the directors.

2937. In your double capacity you have studied the subject both practically and commercially, as well as scientifically?—Yes; I happen to have been acquainted with the rise of mineral oils since its commencement, from having suggested to Mr. Young the useful application of a petroleum spring in Derbyshire in the year 1848, from which the industry arose.

2938. You were besides one of the Royal Commissioners for inquiring into the state of large towns in populous districts with regard to high pressure of water?—I was.

2939. Have those inquiries had any regard to the supply of water for extinguishing fires?—We took very much into consideration the uses of the constant supply and the intermittent system with regard to the extinction of fires.

2940. What were the results of your inquiry?—We found in some towns which have now a constant system of supply, such as Manchester and Liverpool, but which had then an intermittent system, the greatest objections to the introduction of the constant system, and many arguments with regard to its impossibility. We found at the same time in the neighbouring towns where the constant system prevailed, that it was of great use in the protection of property, and we strongly urged the constant system for large towns, and some of those large towns, such as Manchester and Liverpool, now possess it.

2941. It has been adopted in Manchester and Liverpool?—Yes.

2942. And they are quite satisfied with the system, I presume?—I suppose so; but I do not know.

2943. In what year was this inquiry conducted?—It commenced in 1844, and lasted for two years.

2944. I presume you have directed your attention to the classification of those substances which tend to produce, or promote fires?—I can give you a rough classification, but I do not know that I can give you a scientific one; I would divide the substances coming under your inquiry into two large classes, fire producers, and fire promoters. As fire producers are of very various degrees of danger, I would divide them into three classes; those which are highly dangerous, those which are less dangerous, and those which are least dangerous.

2945. Will you give us an example of a highly dangerous compound?—The substances which are highly dangerous are gunpowder, gun-cotton, nitro-glycerine, alcohol, ether, camphine, sulphide of carbon, naphtha, benzole, phosphorus, turpentine, petroleum, and all burning oils below the legal firing point imposed by the Act of Parliament, namely, 100 degrees (I would go higher than that, but that is the wording of the Act of Parliament): the Act does not allow petroleum to be stored in quantities above 40 gallons unless the inflaming point is above 100 degrees.

2946. Mr. *Horsfall.*] You mean except in warehouses adapted for that purpose?—Yes; The second class, which are less dangerous are sulphur, pyrites, vegetable and animal oils, and fats, all burning oils with a firing point above 120 or 130 degrees (130 is usually taken); bees-wax, paraffin-wax, candles, lubricating oils, greases, pitch, and bitumens. The third and the least dangerous substances are coals, charcoal, and other fuels, vegetable fibres, and fabrics made from them, such as cotton, flax, hemp, and jute; the first class, which I deem highly dangerous, I so include, because at ordinary temperatures, or nearly ordinary temperatures, they take fire readily, and, because water does not put out the fire. If you put water on gunpowder before it has exploded it would prevent fire; but in case it had caught fire there would be no time to extinguish it.

2947. Could you inform the Committee of the temperature at which gunpowder ignites?—If you place a spark on it at ordinary temperatures it ignites.

2948. You are not now dealing with spontaneous combustion?—No; other substances such as alcohol, camphine, naphtha and so on, take fire at common temperatures, if the flame approaches them; or what is worse in that respect, making them more dangerous than gunpowder, they will of themselves travel to flame while the flame

flame must be carried to gunpowder, that is to say, these volatile bodies emit a vapour which will find its way to a flame or fire, even at a considerable distance, and thus form a means of communication with the store of combustible matter.

2949. *Chairman.*] So that you might have a fire in a room in which the substances were not actually stored?—Yes, if the vapour reached the fire; petroleum, and burning oils under 100 degrees, I class so for this reason, that although some of them may not take fire at common temperatures, the general result is that a large portion of what exists on sale is much under 100 degrees, ranging from 70 degrees upwards, and as people believe them to be safe, the danger is even greater than with such bodies as camphine and benzole, where people know the danger and are on their guard against it.

2950. Mr. *Gorst.*] Does petroleum emit an inflammable vapour at common temperatures?—A great many of those which are sold in shops do, the temperatures of inflammation ranging between 70 and 100 degrees.

2951. *Chairman.*] I presume that that can be avoided?—Quite well, therefore I class those which do not ignite under a temperature of 120 or 130 degrees as much less dangerous.

2952. Mr. *Gorst.*] What are the peculiarities of phosphorus?—There are two kinds, one is always stored under water, and therefore the flame is not apt to catch. The other is a much safer kind of phosphorus, it need not be kept under water, as it is not apt to enter into spontaneous combustion.

2953. Do you consider that phosphorus which is stored under water is very dangerous; is there any risk of the phosphorus being inflamed?—No, it is generally kept in tight tin cans; it is a very dangerous thing if it is exposed to the air; it would take fire spontaneously with a slight elevation of temperature.

2954. Mr. *Tite.*] The quantity is never very great, is it?—There is a large quantity used for lucifer matches.

2955. *Chairman.*] Do you know whether it is stored principally for lucifer matches?—Not in very large quantities in warehouses; the manufacturer sends it in small quantities at a time from the manufactory.

2956. Mr. *Gorst.*] If by a mechanical injury to the can the water were let off, I suppose the phosphorus would take fire of itself almost?—Yes; with a little elevation of temperature.

2957. *Chairman.*] Are you aware of any great fire having taken place from the ignition of those substances?—Yes; numerous fires from gunpowder and gun-cotton, and other substances which are inflammable. But I will give you some illustrations. The great fire at New York, on the 10th of December 1853, took place originally from a lamp being brought near some camphine in a printer's warehouse; and the fire in the "Amazon," the famous ship that was burnt, is supposed by Professor Graham to have resulted from turpentine being kept in a storehouse a little above the boiler, turpentine emitting a volatile vapour at 110 degrees. There was a great fire about 1849 of a large American steamer, where almost everybody perished, which arose from the explosion of a turpentine can that was placed near the funnel of the steam-engine. These volatile oils expand at the rate of 1 in 30 in a temperature of 60 degrees, that is to say, between 40 degrees and blood-heat, and they are apt to break the cans when heated. There are such numerous cases of accidents from petroleum and burning oils below the standard, that I will only mention one or two of the large instances of fires. Take the case of the "Lotty Sleigh" at Liverpool, on the 15th of January 1864, that was a gunpowder vessel, containing 11½ tons. The captain was trimming a lamp with bad oil; the flame communicated to the canister from which he was trimming the lamp, and set the vessel on fire; the crew all fled from the ship, and it exploded.

2958. The flame was communicated to the canister, on account of the vapour issuing from the canister travelling to the lamp?—Yes: then there was the celebrated burning of the cathedral in Santiago, where 2,000 persons, principally women, perished; that resulted from some of the oil coming over the lamp on some drapery; and as that oil was self-accendible at common temperatures the fire ran up and communicated to the other lamps. I could give you several instances of great fires in petroleum warehouses. The danger is, that when an oil warehouse is set on fire (which remark also applies to less dangerous oils), water will not put them out, but they run about flaming and form great extensions around the source of the fire. For example, at Antwerp, in August 1866, a fire commenced in some vaults where petroleum was stored, and the fire passed to other warehouses having petroleum in them, and these after a time exploded; then the fire ran into the sewers, where it mixed with the air, and exploded under the houses and set them on fire.

2959. But was that on account of the bad quality of the petroleum?—I do not know; any burning oil in a similar temperature would probably have produced the same result; the origin of the fire was not known, but safe oils would have rendered it difficult to commence the fire.

2960. Mr. *Gorst.*] I suppose that good oils once set on fire are just as bad as inferior oils?—Yes. Common vegetable oils, or good paraffin oils, once in full conflagration, would be difficult to extinguish, but, on the other hand, they are difficult to set on fire. In the second class I might mention one remarkable instance from sulphur. There was a great fire at Gateshead, on the 6th of October 1854, where there were 3,000 tons of sulphur stored; the fire was immense, and afterwards there was an explosion on account of saltpetre being in the same place; but if it had not been for the circumstance that during the fire the night was perfectly still, so that the heated vapour went up, I believe the calamity would have been dreadful. On the second day a slight breeze came and drove the vapour to the other side of the river and the people fell down suffocated in scores; but during a great part of the time the acid went up into the air, there being no breeze. That is why I place sulphur, on account of its vapour, as being dangerous, although it sometimes puts out its own fire.

2961. If a large quantity of sulphur was on fire, would the vapour actually destroy life in the neighbourhood?—Yes; if there was a breeze it would be most disastrous.

2962. *Chairman.*] Is there anything that you can recommend to the Committee with regard to the storing of sulphur?—I think that must be in the wisdom of the Committee.

2963. Mr. *Tite.*] Where is sulphur principally stored?

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stored?—It is stored in all the great ports, for it is a most important article for making sulphuric acid and gunpowder. I do not know of any other case where we had so much danger as at Gateshead. The danger was so great, that at the time Lord Palmerston, who was then Prime Minister, requested me to give him a report on the question.

2964. Was it on the floor?—It was all over the building.

2965. On a wooden floor?—I do not know. There were two warehouses which communicated with one another, and in one of the rooms they had a large quantity of sulphur stored there, with a tarpauling on the top, and on the top of that they stored saltpetre. The consequence was that there was a terrific explosion, which was felt for 20 miles round.

2966. Mr. *Gorst.*] You put sulphur so high in the list, not because it easily catches fire, but because when it does catch fire the danger to life is so great?—Yes; when it is stored in large quantities.

2967. Mr. *Tite.*] You do not know how it is stored in London?—No. I have classed as the least dangerous those substances which water would put out; water would put out sulphur; but most of those substances that I have classed as dangerous in the second degree agree with the highly dangerous in this, that water would not put them out.

2968. *Chairman.*] Can you give an instance to the Committee of any case where there was a great fire where vegetable oils and tallow were burnt?—The famous Tooley-street fire is a case of this kind. When they were thoroughly heated, large masses of tallow and oil floated down the river and set fire to the shipping, which showed that when they were thoroughly heated they would burn on the top of the water.

2969. You mentioned coal, also, pretty high in the list?—I had some doubt whether I should not put coal under the head of "less dangerous," because most coals can be stored with safety, but if they have been stored damp, and contain a good deal of sulphur, they not unfrequently give rise to spontaneous combustion, especially if they are placed near a flue, and that flue becomes heated above 120 degrees; but in the storehouses here they have a ready means of ascertaining whether coal is becoming heated. Iron rods are left in the coal at various parts, and are frequently pulled out and felt; if any of the rods are hot, the men cut down to the place, and put the fire out at that place.

2970. Can you give any instance to the Committee of a fire from the spontaneous combustion of coal?—I was once sent down to Woolwich Dockyard to inquire into the cause of a fire, and I found it arose from the spontaneous combustion of coal, which was placed near a wall that was heated.

2971. Was that a particular class of coal?—It was Newcastle coal; but any coal containing much sulphur would do the same; the Welsh coal does not usually contain much sulphur.

2972. Anthracite does not contain a large quantity, does it?—That does not usually contain much sulphur.

2973. Mr. *Horsfall.*] There have been frequent instances of spontaneous combustion on board vessels from coal?—Yes. There is also spontaneous combustion, which very often arises from animal and vegetable oils when they have been wiped with rags, and those rags are thrown away. Although I believe vegetable and animal oils and fats are generally more safe from accidental ignition than burning oils with a firing point of 130°, I put them together because paraffin oils have the great advantage that they never give rise to spontaneous combustion; even rags worked with them never take fire, because paraffin oils have no tendency to unite with the oxygen of the air.

2974. Mr. *Tite.*] By the use of such oils then, in wiping an engine, no spontaneous combustion can arise, can it?—No, and on this account lubricating paraffin oils are largely used.

2975. *Chairman.*] We had it in evidence the other day before this Committee that fires arose very much in shops from shopkeepers wiping oil off their fingers with rags?—If a light came in contact with the rags, or the petroleum was bad, and gave off a vapour, it would do so, but unless you actually applied a light to the rags there would be no danger with any burning oil above 130°; you may plunge a torch into a cask of such oil and extinguish it.

2976. Mr. *Turner.*] When you say bad petroleum, you mean unrefined petroleum, I suppose?—Neither petroleum nor paraffin oil has a tendency to spontaneous combustion by uniting with oxygen.

2977. Not even unrefined?—No. Unless you call spontaneous combustion the travelling of the vapour of bad petroleum to any light in the vicinity. If rags used to wipe common petroleum lamps are thrown aside, I have no doubt they would be a fertile source of fires, and these might readily be confounded with instances of spontaneous combustion, because, through the vapour, the fire may have been communicated from some distance.

2978. Mr. *Tite.*] If a man is handling ordinary olive oil, and wipes his hand with a rag, that rag is likely to take fire, is it not?—It may do so. I know of cases where even butter rags from the casks have taken fire in 24 hours, by being put together in a heap.

2979. *Chairman.*] Will you be kind enough to proceed with the third division, the "least dangerous"?—They include, besides fuels, vegetable fibres, cotton, flax, hemp, jute, and all fabrics made from them.

2980. We have had great fires from spontaneous combustion in jute, have we not?—That has never come under my observation.

2981. Mr. *Tite.*] I think that the jute has caught fire by reason of their putting oil in barrels on the top of the jute, and then the barrels leaking?—That is very likely.

2982. Mr. *Gorst.*] Any substance, like wool, is dangerous with grease in it, I suppose?—Yes, if there was anything else to communicate with it, but wool does not take fire readily by itself though the oil in it might take fire.

2983. Jute, cotton, and so on, would not catch fire from mere damp; it must be oil?—I think so. I have never known a case of that sort.

2984. They are not like hay and straw?—They are too dry, and they undergo no fermentation. My last class of fire promoters are saltpetre, nitrate of soda, chlorate of potash, manganese, and bi-chromate of potash; those all contain oxygen, which, being heated, they give out, and therefore cause bodies to burn very fiercely. It is a question how far those things should be stored with large quantities of any combustible substances;

stances; the fire at Gateshead was from an explosion which took place where sulphur and nitre were stored together.

2985. Nitrate of soda would have the same effect, I suppose?—The greater part of it was nitrate of soda.

2986. And chlorate of potash would have been still worse, would it not?—Yes, chlorate of potash is especially dangerous; bi-chromate of potash is not usually stored largely; it is sent at once to the calico printers.

2987. You mentioned manganese as a fire promoter?—Yes, that is a substance largely used for producing oxygen, which it gives out by heat.

2988. Where do they get manganese from?—From Germany and a great many other countries.

2989. *Chairman.*] We often hear of fires taking place from the explosion of lamps?—Yes.

2990. What kind of oil is burned in those lamps?—An explosion might take place in lamps from various kinds of burning materials; it might be a camphine lamp, or one fed with naphtha, or it might be bad petroleum or burning oil made from coal if the firing point was too low.

2991. In speaking of explosions from petroleum in an ordinary lamp, you mean all mineral oils, such as paraffin also?—Yes, if their firing point is too low.

2992. But you can make petroleum oil quite as safe as any paraffin oil, can you not?—Perfectly well.

2993. Will you inform the Committee the reason for paraffin or petroleum being dangerous when burned in lamps?—It is because they contain volatile substances which rise at a slight elevation of temperature into an explosive vapour, and that mixing with the air and a light coming near will cause an explosion and set the oil itself on fire.

2994. Mr. *Gorst.*] What do you mean by saying that the firing point of petroleum is 100; it gives off inflammable vapour under 100, does it not?—The Act of Parliament says that no petroleum shall be stored in a large warehouse, except under precautions, unless its firing point is above 100; that is to say, that you must be able to heat the petroleum to 100°, and it shall not take fire on the application of a light. The Act of Parliament really intends to indicate the temperature at which the vapour produced from that petroleum will take fire. There are two ways of taking the firing point: one is when the liquid itself ignites, and the other is when the vapour from the liquid ignites; that is lower than the permanent point of ignition of the liquid. The Act of Parliament intends the vapour and not the permanent ignition.

2995. You might put a lighted match through the inflammable vapour into the oil and put it out, might you not?—No doubt.

2996. Mr. *Tite.*] How is the Act practically interpreted?—The Act is almost a dead letter. There was a prosecution in Liverpool last week, with a conviction, and there was a prosecution by the Board of Works some months since; but the latter went off on a technical point.

2997. Have you ever been called as a witness on those prosecutions?—Never.

2998. *Chairman.*] Are there to your knowledge any legislative measures with regard to those oils in any other country?—I saw a letter lately describing a new Act in America, but I have no authentic information about it; the letter said that the American Government has just passed a very severe law, involving both a heavy fine and imprisonment, to prevent the sale of petroleum under a firing point of 110 degrees.

2999. Mr. *Turner.*] In what State is that?—It was described as an internal tax-law for the whole of America.

3000. It was passed by Congress at Washington, I suppose?—Yes; so I understood it.

3001. *Chairman.*] Has anything been done in Belgium since the great fire that happened at Antwerp?—I do not know.

3002. Or in France?—Some time since the Minister of the Interior sent letters to the prefèts, warning them to watch that no bad petroleum is sold, but I do not know of any law in France.

3003. In the investigations which have taken place, have you found the dangerous oils used in ordinary houses to be from petroleum or from paraffin?—I do not take professional business as a chemist, so that those things have not come before me; but I see Dr. Attfield in the room, who has paid particular attention to that subject.

3004. But you, as a chemist, perhaps, could state to the Committee what you consider the safest igniting point for the sale of oil?—I would burn none in my own house, nor would I advise a friend of mine to burn any in his house, under 120 degrees as the very minimum, but I should prefer 130.

3005. Do you mean for the vapour igniting, or the oil?—One hundred and twenty for the vapour and 130 for the permanent ignition.

3006. With regard to oil with a high firing point, does it give out as much light as the other?—It gives out more light.

3007. Then it is more profitable to the consumer, is it not?—Of course, it depends on the price, which at the present is the same both for dangerous and for safe burning oils.

3008. But does it burn as long?—It burns quite as long and gives out more illumination.

3009. Will a gallon of that oil at 120 degrees produce more light than a gallon of oil at 100 degrees?—A gallon of oil at 130 degrees of permanent ignition produces 25 per cent. more light than a gallon of oil at 100 degrees.

3010. Is there any difference in the quality of the light; is the light from the low igniting oil more brilliant at the time it is burning?—No, but those who are accustomed to burn light petroleum sometimes like it better than heavier and safer oils, as they find that they can manage the wick more readily.

3011. You are of opinion that the public taste is in favour of the low firing oils?—Yes, that has been the case latterly.

3012. There is less trouble in trimming the lamp, you say?—There is less trouble attending the trimming of the lamp.

3013. The consequence of the public feeling being in favour of those lighter oils is that the trade in those oils has very much increased, I suppose?—I would rather say that the large supply of these light oils has created a new taste. It is an enormous trade now.

3014. You mean the trade in the low firing oils?—No, I mean in burning oils generally, including safe and unsafe petroleum, and safe and unsafe paraffin oils. I do not think the trade has increased on account of the slight difference in the adjustment of the wick, but because such enormous quantities of oil have been thrown into the market and have cheapened oils to the consumer. Oils from coal and shale can be made as

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light as those from petroleum, and will, no doubt, be made so if safety is left out of consideration.

3015. You mentioned, in a former part of your evidence, that you were one of the directors of Young's Paraffin Company?—Yes.

3016. Can you inform the Committee what is the firing point of the oils issued from that company?—It is guaranteed never to be under 130°, but practically it is usually 135.

3017. Have there been any accidents from it?—I believe there has never been one in the 17 or 18 years that it has been in use.

3018. There have been reports in the newspapers of accidents taking place from using paraffin; are you aware of Mr. Young having made any investigation into the truth of those statements?—He employs a solicitor in every case to find out whether it was his own oil or not, and in each case has found that his name was taken but his oil was not used.

3019. Mr. *Tite.*] How is this degree of purity obtained?—Merely by neglecting to sell the volatile matter which it gives off, removing it, and so securing oils of a higher gravity.

3020. Is it more profitable to leave that volatile matter in the burning oil?—I presume so, or else people would not do it.

3021. Naphtha is cheaper, is it not?—Yes, much cheaper.

3022. Is that done by heat?—Yes, by distillation at a certain temperature.

3023. Mr. *Gorst.*] At what temperature do you distil it?—They are all distilled; in some cases by steam, but usually they are distilled by fire.

3024. Do you raise the oil to a high temperature?—Yes.

3025. To above 130°?—Yes, and much higher than that; it does not distil until it reaches a very much higher point.

3026. *Chairman.*] Will you explain shortly to the Committee the operation of distillation from crude paraffin or petroleum?—It consists in distillation, and then purifying with oil of vitriol, and then distillation again, and the distillation is repeated until the oil is purified, the dangerous parts being sold separately as naphtha, and the burning oils are sold with their burning point at 130°.

3027. At the first application of heat you get a light explosive oil?—Yes.

3028. The danger of burning the oils sold in the shops, arises, I presume, from too much of that light explosive oil being left in the burning oil?—Yes.

3029. Mr. *Gorst.*] Do you take more than one kind of naphtha from the crude oil?—No, it is all sold as one kind of naphtha, but it contains several substances.

3030. About the heating and explosion of oil, if you take any particular petroleum oil at a very low temperature, it is neither inflammable itself nor does it give off any inflammable vapour, does it?—No.

3031. As you increase the temperature you come to a point at which the oil itself is not inflammable, but the vapour which arises from it is?—Yes.

3032. And as you go higher you come to a point at which the oil would permanently take fire like spirits of wine?—Yes.

3033. At a still higher temperature is there not a point at which the oil will actually explode?—If it was raised into vapour and mixed with the air, but the oil would never explode by itself.

3034. If you had the oil raised not to a very high temperature, but to a tolerably high temperature, the vapour might mix with the air and explode long before the whole of the oil was converted into vapour?—Yes, that is what produces the immense explosions when a petroleum warehouse takes fire.

3035. *Chairman.*] There would be no explosion if the vapour was perfectly pure, would there?—If it is not mixed with the air that is so.

3036. Mr. *Gorst.*] Could it explode if it were mixed with any of those oxygen producing substances such as saltpetre?—Yes tremendously.

3037. Without any air?—If it came on them when they were being strongly heated oxygen would be given off and explosions would necessarily result.

3038. *Chairman.*] The explosion of those vapours is very similar to the explosion of gas, is it not?—Yes, the vapour is gas.

3039. Where gas will not explode, will it?—No, the vapour is a gas at the temperature at which it is vapour; vapour differs only in this way, that when you lower the temperature it becomes a liquid, but taking it as a vapour it is gas.

3040. Mr. *Horsfall.*] Let me ask you whether you consider vegetable and animal oils come under the same class?—I put them in the class "less dangerous;" because although they are not so dangerous as mineral oils of 130 degrees, they are more dangerous from their tendency to enter into spontaneous combustion; and therefore although they do not take fire at a temperature so low as the mineral oils, they have a danger in another direction.

3041. But, taking olive oil and tallow, would you class them both under the same head?—Yes, I would class them both under the same head, on this account, that when once they take fire they burn with great fierceness, and water will not put them out; they are just like mineral oils. Suppose you were to throw some olive oil on a hot hearth, close to a fire, and apply a light to it, it would not take fire, perhaps; but with a burning mineral oil it would take fire because it would be heated by the hot hearth. But under ordinary circumstances neither would take fire by applying a light to them.

3042. Have you seen the warehouses that they have at Liverpool for the storeage of petroleum?—No.

3043. Mr. *Tite.*] Is there any law now in existence to regulate the storing of saltpetre?—Not that I know of.

3044. There is, at all events, none which is operative?—None.

3045. Mr. *Lusk.*] You said that the oil once set on fire it cannot be put out?—It is very difficult to put it out. You cannot put it out with water. In oil-works it is sometimes put out by torrents of steam injected into the house or tanks on fire.

3046. Water will not extinguish one of those large fires where there is much oil?—No.

3047. Mr. *Lanyon.*] Water would rather add to the fire, would it not?—It scatters the oil and therefore the fire.

3048. Mr. *Lusk.*] The oil floats on the water?—The oil floats on the water.

3049. Then it would be dangerous to store oil in any place where it could flow, would it not?—Yes;

—Yes; it has produced very disastrous consequences. The Tooley-street fire was an example of that, for it set the shipping on fire.

3050. But the public do not know that, apparently, because they always rush with water to such a fire?—Yes. In that great fire at Antwerp the fire brigade did the most sensible thing that they could do; they tried to fill the vaults that had not taken fire with sand; but the heat got so great that the vapour came through the sand, and it took fire.

3051. Then the people who run with water to those fires do more harm than good?—If the fire has got a good hold water is of no use; if it is in an incipient state you might smother it with the steam.

3052. Mr. *Gorst.*] Are there any circumstances in which water is actually dangerous in fires?—In that fire at Gateshead, which I have already alluded to, the evidence before the coroner's inquest was that the explosion was produced when water came in contact with the melted mass of sulphur and saltpetre; they do not explode by themselves unless the saltpetre has been heated for a very long time and left the potash there; this explosion took place by the supposed combination of three conditions, three things, the action of the sulphur, the saltpetre, and the water.

3053. Was the water decomposed?—I do not know whether it was decomposed or converted suddenly into steam. Mr. Pattinson, who was the chemist employed by the Corporation, said that the explosion did not take place until the water came in contact.

3054. Do you suppose it is possible for water to be decomposed, under any circumstances, so that the hydrogen would be given off?—Yes; the oxygen might unite with some substance and there would be an explosion.

3055. *Chairman.*] In such cases water is fuel to the fire, is it not?—They are not very numerous cases, but when you place water under the fire, as in gas works, when the water passes through the fire it is undoubtedly decomposed.

3056. Mr. *Lusk.*] Where there is much oil at a fire there is danger of its communicating the fire to other parts by the oil floating away?—Yes.

3057. Now coal, you say, is one of the most ready fire-producers?—Yes.

3058. In what condition are coals most apt to produce spontaneous combustion?—When they contain much sulphur, and when they are damp. There is not much fear of spontaneous combustion when they are stowed away quite dry and dusty.

3059. My question refers specially to the shipment of coals. In shipping coal to the East Indies they are very apt to take fire, are they not?—Yes.

3060. What is the cause of that?—If there is a very slight elevation of temperature the coal has a tendency to take fire; it raises its disposition to take fire from spontaneous combustion very much. There are numerous cases where the temperature has not been above 140°, and the coal took fire, and there are one or two cases where the temperature was not above 120°, where the coal ignited.

3061. You say that the coals are more likely to take fire if they are damp?—Yes.

3062. If a ship was a little leaky the coals would have that tendency to spontaneous combustion?—Yes; if the dampness came into contact with the coal.

3063. You mentioned that flues are apt to take fire?—The flues giving an elevation of temperature being near the coal would raise the temperature of the coal.

3064. Are they more likely to take fire with or without air?—Where the air comes to the coal it is the oxygen of the air uniting with the sulphur that causes the combustion.

3065. It is a customary thing for people to put air shafts into the ships where they are loading coal, is it not?—Yes.

3066. Is that a wrong thing?—Air shafts would tend to keep the coals dry.

3067. And cool perhaps?—And cool.

3068. It is a customary thing to put those shafts down for the purpose of giving air, is it not?—I think it is very right. If you want a room well dry the best thing is to pass plenty of air through it. A shaft would keep the coals cool, and keep them dry.

3069. The particular thing which you would recommend is that the coal should be dry?—Yes; that they should be dry, and as free from sulphur as you can get them.

3070. The South Wales coal is more free from sulphur than other coals, I believe?—Yes; those that are used for steam purposes. I have examined all the South Wales coal for the Admiralty, and I have found when they are good specimens that they do not contain much sulphur.

3071. Have you anything to suggest to the Committee with regard to ships in loading coal?—A fire that takes place by spontaneous combustion in coal almost always commences from one point. Ships should use the simple plan that storekeepers do on land, of keeping iron rods and putting them down in various parts of the coal, and taking them out and occasionally feeling them, they would know where the elevation of temperature was, and they would be able to cut down to the exact spot and put the fire out before it extended.

3072. That is the only remedy that you can suggest, I suppose?—That is the best and most simple remedy, I think.

3073. With regard to jute, is it of a particularly combustible character?—I should not say that it is more combustible than other fibrous matters, but I am not very familiar with jute.

3074. It is often said to take fire in ships from its combustible character; you have not turned your attention to that?—No, I have not.

3075. Mr. *Tite.*] If you were to upset a can of oil over jute it would be very dangerous, would it not?—Yes.

3076. Mr. *Lusk.*] But from the nature of the article, you do not think it specially combustible?—I should not have supposed so, but I do not know much about jute.

3077. *Chairman.*] But, speaking generally, would you say that a fibrous material like jute or flax, if it became damp, would give rise to spontaneous combustion?—I should not say so, because the greatest bulk is composed of woody fibre, which has no disposition to enter into spontaneous combustion.

3078. But would not fermentation ensue?—It is usually in such a dry state that there is hardly any fermentable matter in it; if there was anything like grass in it, it might ferment.

3079. So far as you can judge, you do not see anything particularly combustible about jute?—

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No; I am surprised to hear that there is so much suspicion about it, but I have no special knowledge of the subject; there is possibly some danger about it which I do not know of.

3080. Mr. *Horsfall.*] Do you think that the spontaneous combustion of coal on board a ship can in any degree arise from friction from the motion of the vessel?—No, I think not.

3081. *Chairman.*] Can you give any reason why the Petroleum Act is quite inoperative?—I think it is because it is nobody's interest just now to look after its working.

3082. Do you think that it would be an advantage to have an officer appointed to test the petroleum oils when they are imported into this country?—Do you mean a public officer?

3083. Yes; a public officer?—I should be very much inclined to make the warehouses responsible for ascertaining the character of the oil at the warehouse.

3084. Could you recommend any simple test by which a policeman, for instance, could ascertain the igniting point of petroleum or paraffin oils?—There is no difficulty about that. To test it you have simply to put it in a little tin can, heat it, and apply a match to the surface.

3085. It is what an ordinary custom-house officer could do?—Yes, if he can read a thermometer and is intelligent.

3086. Mr. *Gorst.*] Do you not think that the common thermometers are very far from accurate?—They are accurate within one or two degrees probably; they are within practical limits.

3087. Mr. *Turner.*] No custom-house officer could do it on the quay, could he?—No, he must do it in a safe place where there is no danger of communicating fire to the casks from which samples are taken.

3088. There would be great difficulty in any custom-house officer or policeman actually testing the oil, would there not?—Yes, I should say so without a certain amount of training: I would rather have a higher person to do it.

3089. He would have to take the oil to another place than the quay or warehouse, would he not?—No doubt.

3090. *Chairman.*] You would see no difficulty in testing it even on board ship?—No, not the least, if a properly trained person were employed, but I should be unwilling to entrust the testing to unskilled hands on board petroleum ships.

3091. With regard to shopkeepers in whose shops petroleum and paraffin are sold, would you make them responsible for any loss that took place from their dealing in dangerous oils?—I would make them responsible for selling dangerous oils. I will give the Committee the last instance which came under my own observation. A man in one of the Western Islands sold oil to a woman, and she was burnt to death, and her daughter was nearly burnt to death. That arose from the common method of trimming the lamp with the canister, and putting the wick a little nearer; then the canister blew up. That shopkeeper was supplied by a manufacturer in Glasgow with mineral oil; it was a common burning oil made from coal. I say that the vendor ought to be held responsible for the death that he produced; the manufacturer should, at all events, have been held responsible.

3092. Then, do you think that that is a case in which you could prosecute a man for culpable homicide?—I think you ought to be able to do it.

3093. Mr. *Lusk.*] How does oil compare with gunpowder?—The Acts of Parliament are very severe about not having more than a certain quantity of gunpowder stored in one place. Bad burning oils are more dangerous than gunpowder, or camphine or naphtha, because they profess to be safe, and persons are thus thrown off their guard. If they were sold as dangerous oils, it might be impolitic to interfere with them; but they ought to be what they profess to be; if they are sold as safe oils they ought to be safe.

3094. *Chairman.*] Have you heard of many lives being lost from the explosion of petroleum?—A very great many.

3095. That could be traced entirely to the oil being of a bad quality, I suppose?—It could be traced in every case to having too low a firing point.

3096. We have inspectors of weights and measures, would it not be conducive to the safety of the public to have an inspector of these oils, as they are coming into general consumption?—I must leave that question to the wisdom of the Committee.

3097. Mr. *Laird.*] Would not it be the best way to make the person who sells those oils responsible?—Yes; especially the manufacturer; and an intelligent shopkeeper ought to be responsible too, and if he cannot test the safety of the oils in which he deals he ought not to deal in them.

3098. *Chairman.*] You stated that you would make manufacturers responsible, and you are a manufacturer yourself; but may not this happen, that you should have an unprincipled shopkeeper taking a cheap dangerous oil and mixing it with good oil, and selling the two as your own oil, for instance?—I believe in many of those instances which were examined into, the shopkeeper would buy a cask of Young's safe oil, and he would keep that cask with Young's brand on it as evidence of its safety. Then he would buy no more oil from Mr. Young, but he would keep the cask with the brand, and fill it up with dangerous oils.

3099. You would then say that it would not be fair to make the manufacturer responsible, and that the true way would be to make the man who sold the oil responsible?—In that case, certainly.

3100. If you could not prevent the selling of any such oils at all, would you think it practicable to have an inspector of those oils, to go into the shops at any time to examine them?—I think that the large number of deaths which take place would justify such legislation.

3101. I believe that the trade in mineral oils has become very extensive now?—It is now considered by far the largest chemical industry which exists. The mineral oil is essentially the poor man's oil, because he can get a lamp for about 7 *d.*, which gives him the light of eight or ten candles, and therefore this oil has become enormously extended in use throughout poor men's dwellings. The annual value of that industry in America and Great Britain has been lately estimated for the chemical jury in the International Exhibition at Paris at 10,000,000 *l.* per annum, therefore it is a matter of great importance in every view with regard to legislation, both for the protection of the poor man and for the manufacturer, the not putting too many restrictions upon it.

3102. Has there been an increase in the supply of dangerous oils of late years?—An enormous increase.

increase. For nearly 13 years during the patent of the paraffin oil there was no danger at all; there were only safe oils sold, with a firing point of 130°. The recent dangerous oils have arisen from the importation of the lighter petroleum from America.

3103. But it would be no great restriction to trade were we to have a law for prohibiting the importation of dangerous oils, since we have plenty of sources for obtaining at a cheap rate the safe oils?—There would be no harm in making a restriction that the oil sold as a burning oil from any mineral source should be safe when it professed to be safe. Petroleum is not necessarily dangerous, and unsafe petroleum is now prohibited for internal use in America, though not for external export. Both petroleum and paraffin oils can be made equally safe or equally dangerous. But we must recollect that there are such substances sold as camphine and naphtha, which are used for lamps, though not for the lamps of the poor, and which are dangerous at ordinary temperatures; but they are known to be dangerous.

3104. They are sold under their proper names, I suppose?—Just so.

3105. There could be no objection to selling petroleum oils at a low igniting point if you put the word "dangerous" on them?—I believe that it would redound to the benefit of the petroleum industry as well as the paraffin industry if the oils were made safe, because nobody would be afraid of them.

3106. Are you aware of that trade being, in fact, restricted by the fear of accidents?—Certainly; in fact, many persons will not buy the oils on account of the bad reputation into which burning oils have fallen from the constantly recurring accidents produced by low firing oils. It would not restrict the industry if the oils were made perfectly safe, which might be easily done.

3107. Mr. *Agar-Ellis.*] It would not prevent the poor man getting his light as cheap, would it?—Not the least. The safe oils give you 25 per cent. more light for the same money.

3108. Mr. *Lusk.*] Matches are dangerous in one sense, but they are very useful?—Yes.

3109. Oils called dangerous oils might be useful in their way, and if they were marked "dangerous" would you allow people to sell dangerous oils as well as safe oils?—I would not call them oils, because when they buy oils people would believe they were buying safe things, such as they are accustomed to. If you sell them under names such as camphine or turpentine, you cannot prevent it.

3110. In regulating the sale of oils, do you think that no oil should be sold under a certain firing point?—I think when oil is sold and called paraffin or burning oil, or petroleum, which means oil from a mineral source, it ought to have the safety of common burning oil.

3111. What temperature would you specify?—I have stated that I think a temperature of 120 degrees, with reference to the vapour, should be adopted.

3112. Can those oils easily be made safe?—Very easily.

3113. It would not damage the industry to make them safe, I suppose?—No, on the contrary it would be to the advantage of the industry; it would make it grow more steadily if persons had perfect confidence that the oils were safe.

3114. That being the poor man's oil, it would not enhance the price?—In an active competition a bad article is often given at a lower price, professing to be a good one; but in an honest competition there would be little augmentation of price, and I believe none for oils of equal illumination.

3115. There is no profit in selling dangerous oils, is there?—None except that they get rid of a quantity of danger at the price of safety; they leave the dangerous spirit in it which they would get a less price for if they were separated.

3116. You think that there is only one course to pursue in order to enforce the sale of safe oils?—If they call them oils, but if they choose to call them naphtha, or camphine, or turpentine, it is another thing; if they are sold as burning oils on the understanding that they are burning oils, they ought to be made safe.

3117. Mr. *Agar-Ellis.*] Would not this meet the case, that there should be a clause to define the word "oil," and that it should be made to mean that which had a certain firing point?—That might easily be done by using the words "mineral burning oils." It is a curious thing that the Act of Parliament at this moment says nothing about mineral oils or paraffin; persons contend that they are not in the Act at all.

3118. Mr. *Lusk.*] You would have the general term "mineral burning oils," to include all oils made from paraffin or mineral substances?—Yes; and to include petroleum as well as burning oils from coal, shale, or other sources.

3119. *Chairman.*] Are there any particular periods at which the burning oils are more dangerous than at others?—Bad oils are more dangerous in hot weather than in cold weather.

3120. Of course; what I mean is this, that sometimes the light spirit that is given off during distillation, is dearer than at other times?—Yes.

3121. When it is at a low price it is to the interest of the manufacturer to take less of it out?—Yes.

3122. And when it is selling at a high price to take as much out as possible?—Quite so.

3123. Is it then the fact that during some particular years a burning oil will be much safer than in other years?—That is very possible; I do not know whether it is the fact or not.

3124. Mr. *Lusk.*] Is there any simple way of testing these oils in shops?—I think you should indicate what the Act obviously intended to indicate, the temperature at which the oil gives off inflammable vapour. I believe that the Petroleum Association has lately taken the mean temperature at which it gives off vapour, and that at which it permanently ignites.

3125. By the law with regard to gunpowder a man may have a small quantity of gunpowder on his premises, but if he has more than that he is liable to a fine?—Yes.

3126. Would you have the law so altered that anybody could give information of a man having oils below a certain standard, and that he should be liable to be summoned?—I think you could make it a matter of ordinary police regulation, that the law should not remain a dead letter, and that the public should not think they are safe under an Act of Parliament which is quite inoperative.

3127. Do you think that anybody ought to be able to bring an offender before a magistrate, and

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get a conviction?—Yes; I think that would be for the benefit of the industry.

3128. *Chairman.*] With regard to lucifer matches, it has been recommended to this Committee to put a tax on lucifer matches on account of the great number of fires that have taken place from their misuse?—I think that would be a very serious matter, because one of the most important inventions of modern times, is the method of obtaining an instantaneous light; I suppose it has been pointed out before the Committee that there is one kind of match that is quite safe where the phosphorus is put on the emery paper, and not on the top of the match; it is not a lucifer match until it has been drawn on the sand-paper, and therefore under no circumstances is there any danger.

3129. Do you think it would be safe for the public, and not an inconvenient thing, that all matches should be made in that way?—It is such an extensive industry now that that would be a very important question. I think, however, that they have made some such legislation in Holland, or that they were discussing the subject.

3130. Are the matches which are made in one way more expensive than those which are made in the other way?—Necessarily; because you must make all the phosphorus first, in the way in which they are made in common matches, and then that has to be converted into the red condition (which is safe) for the second process; still, no doubt, lucifer matches are a great source of danger.

3131. Mr. *Lusk.*] But looking at it as a practical man, do you think it is at all within the range of ordinary probability that you could lay a tax on matches?—Undoubtedly not, whatever else you might do.

3132. It is a most important invention, you say?—Yes, certainly, it is a most important industry.

3133. We might almost as well attempt to tax candles, I suppose?—You might tax artificial lights in every way.

3134. *Chairman.*] But there might be a license for selling lucifer matches, might there not?—I think it is an industry that is so greatly important that you would be doing a very hard thing in interfering with it; the subject is well worth taking evidence upon, but I should like to reflect on it a good deal before giving evidence myself.

3135. Mr. *Lusk.*] Practically, you think that it is an unworkable idea to tax lucifer matches?—I do not think that the time has come when you might say that only those safe matches must be used, to the exclusion of all others. Most lucifer matches can be heated to 120 degrees, without taking fire spontaneously. A few kinds take fire even below 100 degrees. These are most dangerous, and their sale might safely be prohibited.

3136. *Chairman.*] Do you think it would raise the price of matches appreciably, to enact that there should be a license for selling them, so that you would not have children running about the streets with them?—You have all the evidence before you, but I have not given the subject any attention.

3137. Mr. *Lusk.*] We have a heavy tax on tobacco, whisky, and brandy, but there are a good many fires occur from pipes and cigars in spite of the tax?—Just so. I do not know what your evidence about matches has been, but usually I find, where things are known to be dangerous, there is much less risk than when things are not known to be dangerous.

3138. Mr. *Miller.*] It would not do to have a heavy tax on matches, I presume, but it would not do any damage to have them at such a price as to prevent the dock labourers carrying them about in their pockets, would it?—It would be an easy rule for the authorities to adopt at the dockyards, to prevent the labourers having anything but safe matches, to fine them severely if they had, but that is a different matter where there is great danger from fire as there is at the docks.

3139. *Chairman.*] Have you anything to add to your evidence?—No.

Dr. JOHN ATTFIELD, called in; and Examined.

Dr. *J. Attfield.*

3140. *Chairman.*] YOU are Director of the Laboratory of the Pharmaceutical Society of Great Britain, I believe?—Yes.

3141. I think you have heard the evidence of Professor Playfair?—Yes.

3142. Do you agree in the main with what he has stated to the Committee?—I do.

3143. I believe you have had considerable experience in examining petroleum and other mineral oils?—Yes.

3144. Have you been employed by any one to investigate the subject, or have you done it voluntarily as a matter of study?—Both. I have been employed by some persons who have met with explosions, and I have examined the matter myself from its scientific interest.

3145. Can you give any instance to the Committee in which you were employed where an explosion took place?—Yes. A gentleman, residing near Sudbury, met with an explosion; his lamp burst, and the oil was scattered about the room, but did not ignite; still the explosion alarmed him very much. He sent up to me a portion of the oil he had been using, and fragments of the lamp, and requested me to tell him the cause of the explosion. I made some experiments, and I was enabled to tell him the cause. I found that the oil, in passing up the wick of a lamp, becomes heated to a temperature varying from 100 to 110 degrees the moment it touches the brass work of the lamp. The oil which he had been using gave off an inflammable vapour at that temperature, and indeed at a much lower temperature, and that inflammable vapour, mixing with the air in the upper part of the interior of the lamp, gave an explosive mixture; it was the ignition of this mixture that caused the breaking of the glass, and all the effects attending the explosion. I can produce the actual lamp itself, and it will perhaps be interesting to the Committee to see it (*producing pieces of the lamp, the brass work of the lamp, the wick, and some of the original oil*). I fitted the brass work to another body, and then made experiments with the lamp as you now see it, with the addition of the usual chimney. I had it burning first for five minutes, and then took the temperature of that portion of the brass work which faces the interior; I did that by applying a thermometer having a very narrow bulb, to the part, and found that after the lamp had been burning

burning about 20 minutes the temperature rose to 100°; after it had been burning for about half an hour the temperature indicated was 108°. I made the same experiment with a number of other lamps, and I found that in all cases the temperature of this part of the brass work was always from 100° to 110°.

3146. Then you would say, that it is unsafe to burn any oil that gives off a vapour that will ignite at a temperature of 108° or 110°?—I do say so.

3147. In your experiments have you found many oils that give off vapour at that temperature?—Very many. During the last six months I had 65 specimens of oil purchased in shops, and some obtained from the Docks, in the neighbourhood of London; and I have here a table showing the temperature at which those oils give off inflammable vapour.—(*Vide* Appendix.)

3148. Mr. *Lanyon.*] In the case of the accident which you have referred to, was it as the wick passed through the slit in the brass that the vapour was evolved?—Yes.

3149. It was the bottom of the brass that became heated?—Yes.

3150. Was the vapour evolved just merely as the oil passed through that slit?—Merely as the oil passed over the spot.

3151. The rest of the vessel, with the oil in it, did not approach that temperature, of course?—Just so.

3152. It was merely at that spot?—It was merely at that spot. In several instances I took the temperature of the oil, after the lamp had been burning from one hour to four hours, and I found that the oil did not rise in temperature more than 10° or 12° above the temperature of the surrounding atmosphere.

3153. *Chairman.*] The explosion there would take place above the slit?—The explosion would be by the ignition of the whole quantity of air and vapour in the upper part of the lamp.

3154. I suppose there would be no air at all in the inside of the vessel?—Yes; there would be a mixture of air and vapour.

3155. That explosion would take place shortly after the lamp had been lit, would it not?—Yes, if a flame were brought near it.

3156. After some of the oil had been consumed, one would suppose that all the air would be drawn off from the interior of the lamp?—No, there is always air remaining in the upper part of such a lamp during the time that it is burning, however many hours it may burn.

3157. Mr. *Lanyon.*] It was merely the mixture of the air and the vapour that created the explosion in that case?—Yes, but the mixture would not explode until a light was brought into contact with it.

3158. How was the light brought into contact?—I cannot possibly say. But in every lamp there is a little hole in the brass work communicating with the interior of the lamp, and it is probable that the explosive mixture of air and vapour passes through that hole, and is thus brought into contact with a flame.

3159. Mr. *Horsfall.*] What is the minimum temperature of the brass work at which danger would commence?—It entirely depends on the quality of the oil; if the oil is of such a nature as to give off vapour at a temperature of 80°, then as soon as the brass work gets to 80°, the danger commences.

3160. *Chairman.*] Does the temperature ever rise above 110° in the lamps?—I have never met with such a case. The temperature of the brass work facing the interior of the lamp never rose higher than 110° in my experiments.

3161. You would say that that is a safe guide to the Committee for fixing the igniting point of mineral oils?—It is so, in my opinion.

3162. Mr. *Lanyon.*] If there were a non-conductor employed, so that the heat could not be conducted to the surface next the lamp, would not that render the lamp less dangerous?—Yes.

3163. If there were a lamina of some non-conducting materials between the neck of the lamp and the point at which the heat is generated, that would render the lamp less dangerous, would it not?—It would diminish the danger.

3164. *Chairman.*] You have stated that you have tested 65 different specimens of various oils within the last six months?—Yes.

3165. Will you mention to the Committee what was the highest igniting point of the specimens which you examined?—I took it in two ways, so as to get the firing point of the oil, and the firing point of the vapour; the highest temperature was 132°.

3166. Mr. *Lush.*] Was that the oil or the vapour?—The vapour.

3167. Will you give the firing point of the oil?—134°.

3168. *Chairman.*] That is only 2° of difference?—Only 2° in that case.

3169. Then the lowest was what?—The lowest was 67°.

3170. That is of the vapour?—That is the vapour. The firing point of that oil was 77°.

3171. Then that lighter oil would have exploded at the natural temperature?—Generally; whenever the temperature was 77° the oil would give off inflammable vapour.

3172. How many of those specimens had a firing point above 110° by the vapour?—There were only three above 110°.

3173. Were those three petroleum or paraffin?—I believe one specimen was paraffin, and I am sure that one of the others was petroleum.

3174. Do you know whether that oil was refined in this country or in America?—I do not know.

3175. I presume that specimen would be Mr. Young's oil?—I presume it was, but I do not know.

3176. Have you got any specimens of those oils with you?—I have (*producing some bottles*). This is a specimen of dangerous petroleum; the firing point of its vapour is 84 degrees.

3177. I suppose that that is sold as ordinary burning oil in shops in London?—This specimen was obtained from the Docks. I have here a specimen that I purchased myself; it is petroleum; the firing point of the vapour is 74 degrees, and the oil 83 degrees.

3178. That was purchased in an ordinary retail shop?—That was purchased in an ordinary retail shop. I have only met in those 65 specimens with one that I consider safe petroleum.

3179. Only one?—Only one.

3180. Which was that?—The igniting point of vapour in that case was 132 degrees.

3181. Was that bought in a shop?—That was bought in a shop in London.

3182. But you do not know where it was manufactured?—No.

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3183. Is there any simple method of testing the igniting points of those mineral oils generally?—Yes; I test them by heating them in a glass tube half filled, and when I get an explosive mixture in the upper part of the tube I note the temperature of the oil at the time, and that temperature I consider to be the igniting point of the vapour, the point at which the oil gives off vapour sufficiently fast to yield an explosive mixture with the air in a lamp or other vessel, the point of danger.

3184. Could you show the Committee how it is done?—I can show it very quickly and very easily. (*The Witness made the experiment.*) I will take a specimen of petroleum which I purchased myself; I will half fill this tube and then heat the oil over a spirit lamp, stirring it with a thermometer, and from time to time putting in a small flame with a match until I get a flash of light. I note the temperature of the oil at the moment the flash occurs, and that I consider the firing point.

3185. Is that one of the low firing points?—Yes, this is rather low.

3186. Mr. *Tite*.] Is that petroleum?—This is petroleum; I have no doubt of that, because of its low specific gravity.

3187. *Chairman*.] What is the temperature?—Eighty-five degrees; but if I had made the experiment more slowly, say in six or seven minutes, I should have obtained a much lower point. I usually repeat the experiment as the oil is cooling, and in that way get a check on the result.

3188. Now, the temperature in the shade last week was 84°, and that oil would have given off an explosive vapour?—Yes.

3189. Mr. *Lusk*.] Was the specific gravity of that vapour greater than that of the atmosphere?—Yes.

3190. It lies down in the bottom of the vessel?—Yes, but in time it will be diffused out into the air.

3191. *Chairman*.] Will you be so kind as to show the Committee the way in which the trade generally take the igniting point?—The specimen is usually placed in a small dish, which is then heated by a spirit lamp or otherwise; the oil is stirred by a thermometer, and from time to time a flame is dipped down to the surface of the oil, and when the liquid permanently ignites the temperature of the oil is noted, and that is considered to be the igniting point.

3192. But you think we should not be guided by the firing point of the oil but by the firing point of the vapour?—Yes.

3193. Mr. *Lusk*.] What is your objection to taking the firing point of the oil as the guide?—The temperature thus recorded is higher than the temperature at which the oil will cause an explosion in a lamp or other vessel. It is the vapour that causes explosions; I would, therefore, note the temperature at which the oil gives off vapour.

3194. *Chairman*.] I believe you said that there was a difference of 10° between the igniting point of the vapour and the igniting point of the oil?—Yes, in the case of the specimen referred to, but there is sometimes a greater difference and sometimes less.

3195. Is there anything in making those experiments that a man of ordinary intelligence, say among the police or among the Custom-house officers, could not do?—No, not if they were previously instructed.

3196. Do you think that they could arrive at sufficiently accurate results for all practical purposes?—I think so.

3197. Have you ever been called upon to examine any oils from the explosion of which deaths have occurred?—No.

3198. Your experiments are confined simply to explosions without accident to life?—Simply to explosions without accident to life.

3199. Have you seen any of the warehouses in which paraffin or petroleum is stored?—No.

3200. Your attention has been directed mainly to examining specimens taken from retail shops?—Principally to specimens taken from retail shops; oils have been placed in my hands that have been stored in the docks, but I have not taken the specimens myself.

3201. Have you found in your experience that the Petroleum Act is quite inoperative?—Quite inoperative.

3202. Can you give any reason for its being so?—I think it is mainly because the trade generally consider that the igniting point of petroleum is indicated by the experiment worked in a dish in the way I have explained. Petroleum is sold guaranteed not to ignite below 100 degrees; below that many of the oils themselves will not ignite; but the oil may give off a vapour that will ignite at a much lower temperature. A short time ago I was consulted by a shopkeeper, one of whose customers had had an explosion. I examined the oil, and I found that it gave off inflammable vapour at a temperature of 86 degrees, but when heated in an open dish it did not permanently ignite until the point reached was 103 degrees.

3203. Are you aware which of the oils are preferred by the public, whether the oils with a low firing point or a high firing point?—I do not think that the public know anything of the matter; they simply buy the cheapest oil.

3204. You say that the low burning oil is the cheapest generally?—It is always the cheapest.

3205. That is because of the large quantity of spirit that is in it, I presume?—Yes; that is a less expensive material; the public generally like an oil that is not heavy, an oil that will ascend the wick readily, and I have met with light oils that are safe.

3206. Is there any relative proportion between the specific gravity and the igniting points of the oil?—No; an oil of a very low specific gravity may have a high igniting point.

3207. We were told by one of the witnesses that having a low igniting point was having a large quantity of light spirit, and that that would reduce the specific gravity; is that your opinion?—Yes.

3208. But you say that an oil with a low specific gravity may have a high igniting point?—Yes; sometimes it may have it.

3209. How do you account for that?—I cannot account for it; I can only suppose that the oils contain distinct chemical substances. An oil such as petroleum is really a mixture of a large number of substances.

3210. Merely taking the specific gravity would be no test whatever of the safety of the oil?—None whatever.

3211. Taking paraffin and petroleum oils generally, which of the two do you find the safest?—Paraffin; I have never met with a specimen of paraffin oil having a high specific gravity which had a low firing point.

3212. Do

3212. Do you not think it would be very easy to prevent those accidents by having only the better oils brought into the country?—Very easy.

3213. How would you propose to do that; by the appointment of an officer to see that none of those dangerous oils were imported, or by what means?—I would make the shopkeeper responsible for selling dangerous oils.

3214. Who is to discover that he is selling dangerous oils?—I think that the public would soon discover that if the oil that was supplied was not good oil.

3215. But as a man may lose his life first by an explosion, would it not be well to have some public officer appointed to look after those things?—That would be the only thorough way of doing it.

3216. Would you propose that he should have the power to enter a shop at any time to examine the oil exposed for sale?—Yes.

3217. You see no difficulty in having the oils imported into this country examined before they are stored?—I see no difficulty whatever.

3218. From the mode of testing, which you have showed the Committee, you think that an ordinary Custom House officer, or a policeman, would be able to test the oils sufficiently?—An ordinary Custom House officer would be able to do so if he had been previously instructed; he would have to take the oils to one particular place because there is necessarily a little danger attending these experiments.

3219. Are you aware of there being any law with regard to these oils in other countries?—No, I am not aware of any.

3220. Do you know if there is any legal restriction in America, with regard to the storing of petroleum?—No.

3221. I think I understood you to say, that you agree with Professor Playfair generally, with regard to vegetable and animal oils, and fats?—Yes: I heard all his evidence, and I entirely agree with him.

3222. Is there anything that you would suggest in addition?—No; I can think of nothing else.

3223. Mr. *Agar-Ellis.*] You said, I think, that the popular oil was a light oil?—Yes; I think that the public prefer an oil that will readily ascend the wick.

3224. Do you know a light oil that is safe?—I have met with one light oil that is quite safe.

3225. What is that?—That was an oil so light that it had a specific gravity of 804 degrees.

3226. Is that a cheap oil, or not?—That is a very cheap oil; it is only a little dearer than the very unsafe one; it was purchased at a shop where they sold two qualities; the one quality was 4 *d.* per pint, and the other, which was marked "our best" was charged 4½ *d.*, and that was safe.

3227. *Chairman.*] The firing point of that was 132 degrees, was it not?—Yes, the vapour.

3228. What was the igniting point of the other oil that was sold, besides that?—The firing point of the cheaper variety was 88 degrees.

3229. And there was only a halfpenny difference per pint in the price?—Just so.

3230. That fine quality was sold as a cheap oil?—Yes.

3231. Mr. *Agar-Ellis.*] Do you know what the oil was, and where it came from?—I know that it was petroleum; they were both petroleum.

3232. Mr. *Lusk.*] Is it not the fact that all mineral oils generate gas under certain circumstances?—Yes.

3233. The vapour is more dangerous than the oil, is that so?—The vapour is the only immediately dangerous thing so far as explosions are concerned.

3234. Now coals, under certain circumstances, generate gas also, and that under certain circumstances is very dangerous, is it not?—Unquestionably.

3235. Do you see in what way we could practically be enabled to legislate with regard to those oils?—Only by stating the igniting point, I suppose, and making it much higher than it is now in the present Petroleum Act.

3236. Do you think it would be necessary to state the firing point below which no oil should be issued?—Yes; and also the way in which the igniting point should be determined.

3237. What firing point would you recommend should be stated?—The temperature should certainly not be lower than 120°. My reason for that is, that I find all oils burnt in common lamps are exposed to a temperature of 110°.

3238. Do you think that that rule should be applied to all mineral oils?—Yes; none should be issued which gave off an inflammable vapour under 120°.

3239. That is mineral oils?—Yes; they are the only oils that give off inflammable vapour. I would definitively say, that no mineral oil should be supplied to the public which gives off an inflammable vapour below 120° of Fahrenheit.

3240. Whom would you make responsible for issuing dangerous oils?—The person selling them.

3241. Every retailer, for instance?—Yes.

3242. You know the law with regard to gunpowder?—Yes.

3243. Do you think that the law with regard to these oils should be something of the same nature; the offender being made liable to a fine?—Yes.

3244. That is the only practical way of doing it, I suppose?—Yes.

3245. Do you think that dangerous oils should be labelled "dangerous," or would you allow people to sell dangerous oils at all?—Not under the name simply of oils.

3246. Gunpowder is freely sold in limited quantities?—Yes, but the public know that that is dangerous.

3247. Suppose you labelled a mineral oil "dangerous," would you allow it to be issued?—I would allow that certainly, but there would be no necessity to do so, for the public would not buy dangerous oils.

3248. Because they would be labelled "dangerous"?—If you made such a law.

3249. *Chairman.*] Is there anything else that you wish to state to the Committee?—No.

Thursday, 23rd May 1867.

MEMBERS PRESENT:

Lord R. Grosvenor.	Mr. M'Lagan.
Mr. Horsfall.	Mr. Read.
Mr. Kinnaird.	Mr. Tite.
Mr. Lanyon.	Mr. Turner.
Mr. Lusk.	

PETER M'LAGAN, Esq., in the Chair.

Mr. Swinton Boult, called in; and Examined.

Mr. *S. Boult.*

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3250. In what capacity do you appear before the Committee?—I am managing director of the Liverpool and London Globe Insurance Company.

3251. How long have you been connected with that company?—Upwards of 30 years.

3252. Have you found that there has been a great increase in the number of fires of late years?—Yes; there has been a very great increase within the last two or three years.

3253. Do you think that that increase has been proportionately greater than the increase in the value of property insured?—I have a table here showing the fires which have taken place in London only, but we have not the same facilities for getting at it in the country; you may take London as a sample of the entire country. This return shows that fires have increased in London in an undue ratio to the increase of the population and houses. In the year 1845 there was one fire to every 2,990 of the population, and to every 395 houses. In the year 1850 there was one fire to every 2,673 of the population, and to every 347 houses. In the year 1855 there was one fire to every 2,585 of the population, and to every 333 houses. In the year 1860 there was one fire to every 2,613 of the population, and to every 335 houses. In the year 1861 there was one fire to every 2,370 of the population, and to every 303 houses. In the year 1862 there was one to every 2,188 of the population, and to every 280 houses. In the year 1863 there was one fire to every 2,064 of the population, and to every 265 houses. In the year 1864 there was one fire to every 1,980 of the population, and to every 255 houses. In the year 1865 there was one fire to every 1,900 of the population, and to every 250 houses.

3254. How do you obtain the information with regard to the population, and the number of houses in those different years?—From the official returns.

3255. Mr. *Turner.*] You have no information with regard to the value of the houses at that time?—No; merely the number of fires and the number of houses.

3256. Nor of course with regard to the value of the property?—Nor with regard to the value of the property.

3257. *Chairman.*] I asked you if the increase in the number of fires had been greater than the increase in the value of the property insured?—I am not quite sure that I could answer that question, certainly, but I should say that it had.

3258. Mr. *Tite.*] That is your belief?—Yes, that is my belief, but I cannot say absolutely, though I have no doubt about it.

3259. *Chairman.*] When a fire takes place, I presume that you enquire into the cause of it?—As far as we can, we do, but there are a number of cases in which it is impossible to ascertain the causes. I have another table here, also limited to London, showing the increase in the numbers of fires recorded as suspicious, doubtful, or unaccounted for. This is from the returns of the Metropolitan Brigade. In the year 1852, out of 923 fires, 318, or 34½ per cent. were of suspicious, doubtful, or unaccounted for origin. In the year 1853, out of 900 fires, 324, or 36 per cent. In the year 1862, out of 1,303 fires, 507, or 38 per cent. In the year 1863, out of 1,401 fires, 501, or 36 per cent. In the year 1865, out of 1,502 fires, 618, or 40½ per cent., and in the year 1866, out of 1,338 fires, 700, or 52½ per cent.

3260. Lord *R. Grosvenor.*] In the fires put down as unknown you include the doubtful, suspicious, and unknown?—Everything that we cannot trace the cause of.

3261. In fact, all that are called unknown by the Metropolitan Brigade?—Yes.

3262. Mr. *Horsfall.*] According to that statement, the difference between the years 1863 and 1865 was about 14 per cent. increase?—Fourteen per cent. increase.—(*The Witness handed in the Return.*—Vide *Appendix.*)

3263. *Chairman.*] Do you know whether any of those fires could be traced to incendiarism?—No doubt there are a great many which are suspected to be the result of incendiarism, but we cannot trace them.

3264. I suppose you have no idea of the proportion?—None whatever.

3265. Mr. *Turner.*] Those are included in the doubtful and suspicious?—Yes.

3266. *Chairman.*] Have you ever any fires occurring from the improper storage of goods?—No doubt there are such fires; but I think that the improper storage of goods rather refers to another branch of the subject, that is to say, as increasing the destruction of property. We classify goods as being of two characters, goods which

which are likely to produce fire, such as fibrous products; and those which increase the amount of destruction, such as tea, sugar, and indigo, for instance, which are not liable to cause fire themselves, but which add very much to the destruction, if stored in the same building with other goods, which are so liable, at the same time improper storage may occasion fires, as when you put cotton and oil together; but that is a gross case.

3267. You state that fibrous materials are likely to produce fires; I suppose you refer to jute among others?—A great many fires in London arise from jute, but very few in the provinces.

3268. Is that from the spontaneous combustion of the jute?—I apprehend not; if it were spontaneous combustion in jute, it would not be confined to London; but all the jute fires are in London, and all the cotton fires, or nearly all, are in Liverpool.

3269. Can you give any reason for jute being the cause of fire in London?—Simply because it is more easily fired, and because of its being stored in larger quantities.

3270. You do not attribute the results to incendiarism, do you?—Yes, I do. A very prolific source of incendiarism is the enormous system of theft which is carried on in the public warehouses.

3271. *Chairman.*] Do you find that that is the case in Liverpool?—We have had a case (since this Committee has been sitting) in the Stanley Docks, in Liverpool. A fire took place among some rice; the fire was engendered by a bag of waste cotton being brought and placed in a parcel of rice; the fire was soon extinguished, but when the rice was counted, 85 bags were found deficient, and those were traced to a house in Liverpool, who had bought them from a warehouseman, or porter, on the representation that it was refuse to which he was entitled as a perquisite.

3272. It was the theft of a servant which led to the fire?—No doubt.

3273. Do you know of any fire in Liverpool or elsewhere arising from spontaneous combustion?—I cannot say that I can name any.

3274. I believe that you are very particular in your arrangements at Liverpool, with regard to the keepers of the warehouses carrying pipes or lucifer matches about?—The police have recently been very active on that subject. I understand that, within a very short time, two policemen, detailed for that duty, have taken out of the possession of men in the warehouses about 590 pipes, which the men had no business to have; and many of them were found lying on bags of cotton, or stowed in between them for concealment. It is possible that some fires may arise in that way, but I do not attach much importance to it myself.

3275. You have got a very stringent Building Act, in Liverpool, have you not?—Yes; it applies to all descriptions of property, and we have a Fire Prevention Act, which refers to warehouse property only.

3276. Do fires ever originate from neglect of the provisions of the Act?—Yes, from neglect of the Building Act frequently.

3277. Who has the care of carrying out those Acts?—The corporation appoint a surveyor, but, of course, he cannot always be on the building. You find beams are thrust into the flues, and very improper things of that kind done, contrary to the provisions of the Building Act, in the absence of the surveyor, and then covered up before he sees it.

3278. You think that it is not the fault of the Building Act itself?—I have not paid great attention to the Building Act, but I think it is sufficiently stringent. The Liverpool Fire Prevention Act is, I think, as effective as possible; the only fault about it is that it is confined to Liverpool. If it were extended to London I think it would be an immense benefit to the City.

3279. You have got some fire-proof warehouses in Liverpool, have you not?—Yes.

3280. Do you find that they answer the purpose well?—They answer the purpose certainly of retarding combustion, until assistance has arrived to extinguish the fire, but there is this danger about them: that all of those rooms are supported on iron columns, and the iron columns are unprotected; it was the opinion, I believe, of the engineer, who built the dock warehouses, the late Mr. Hartley, that if a very serious fire did take place, and those pillars got red hot, the water coming against them would crack them, and the whole structure would come down.

3281. Lord *R. Grosvenor.*] I presume they are cast iron pillars?—Yes; the quays were originally intended to be open quays, I presume, but they now hold as much goods constantly as any other part of the warehouses, perhaps. On the quays there are huge pillars, two feet in diameter, or thereabouts, wholly unprotected, and supporting the entire structure. I have suggested to the Dock Board that they should (now that the Excise is removed from bricks) have some very small bricks made for the purpose of surrounding those pillars (casing them, in fact, so as to keep off heat and water), but the engineer has found some objection to that.

3282. Mr. *Turner.*] They are hollow, are they not?—Yes.

3283. What is the thickness of the iron?—I do not know.

3284. Mr. *Horsfall.*] Has there ever been a case of a building coming down from that cause?—Yes; at the great London fire in the year 1861.

3285. Mr. *Turner.*] But not in Liverpool?—No; but at Hayes' wharf in London. The only difference was that the windows were not protected by iron shutters; the glass was broken, which created a thorough draught.

3286. *Chairman.*] If it had been wrought iron, instead of cast iron that had been used, would the result have been the same?—I am not prepared to say, but I should say probably not to the same extent, at all events.

3287. Have you warehouses in Liverpool specially for the storage of petroleum?—Yes; we have sheds specially constructed for the purpose.

3288. What is the nature of the construction?—They have a well at the bottom of the building to prevent the oil, if it takes fire, from running away; it is all consumed on the spot, and then there is some provision for ventilation.

3289. Mr. *Tite.*] I believe they are only one storey high?—Only one storey high.

3290. *Chairman.*] You have a special Act with regard to the storage of petroleum, have you not?—Yes.

3291. Has that Act been effectual?—Very effectual; but latterly there have been some

Mr. *S. Boult.*

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complaints arising out of the storage of petroleum outside the boundaries of the borough. The demand for warehouses has become so great that the warehouses have got outside the borough. All the petroleum sheds are in one hand, I think, and some parties not interested in those sheds have been endeavouring to stow petroleum in the cellars of warehouses outside the borough, which are therefore not within the operation of the Liverpool Act, but which come under the General Act; that General Act limits its operation to petroleum or other oils the firing point of which is 100 degrees.

3292. But is not the Liverpool Act limited in the same way?—I think there is no limitation.

3293. Do you not think that the limitation is an advantage?—No, I think it is a very great disadvantage, because it is impossible for those who have to manipulate those articles to determine the degree of explosive power, or the firing point; you may believe it or you may be told it, or the oils may be even specifically invoiced from America, but when they come here they may be found very different.

3294. But suppose there was an Act of Parliament that no petroleum shall be stored with a firing point of less than 100 degrees, is it not possible, in your opinion, to have a public officer to test that point?—It must be done on the landing of the petroleum. No doubt it is possible.

3295. I mean with regard to preventing its importation into Liverpool, or to any other port?—It is in the port before it is tested; you may prevent its being stored, but what are you to do with it?

3296. Are you aware of the fact that many people in London will not buy petroleum that has been imported into Liverpool?—No.

3297. You are not aware that the Liverpool petroleum throughout the country has a worse name than almost any other petroleum or mineral oil?—I am not aware of that.

3298. The cause is evidently this: that in your Act there is no limit with regard to the firing point?—It may be; I do not know.

3299. Are you aware of any fire in Liverpool from the explosion of petroleum in retail shops?—I do not recollect any at this moment, but there may have been. I think the Liverpool Act was based on the recommendation of the Fire Insurance Offices, and those recommendations were founded on the recommendation of the Insurance offices in New York.

3300. Are you aware that in America, at the present time they have either passed, or are about to pass, an Act by which they will prohibit any petroleum being stored there with a firing point under 110 degrees?—I am not aware of that.

3301. Mr. *Turner.*] I suppose you are intimately acquainted with the course of proceeding in the importation of goods generally?—Yes.

3302. Is it, in point of fact, possible to examine petroleum on the quays, to ascertain the firing point?—I should say that it is difficult.

3303. Knowing that difficulty, do you think that any regulation with regard to the firing point of petroleum on landing must be nugatory?—I think it must be nugatory to a great extent.

3304. With regard to the dangerous petroleum coming to Liverpool, and the non-dangerous petroleum coming to London, do you think that must be a myth?—You must examine every cask, and that would be a very great impediment to business.

3305. Therefore that comparison is delusive, you think?—I should say so, unless it were established as a matter of fact.

3306. In the course of business that test would be impracticable, you think?—Yes; I do not think it could ever be practically carried into effect.

3307. *Chairman.*] Then you think that the insertion of a firing point in any Act of Parliament with regard to petroleum is of no use whatever?—I do not attach any importance to it at all.

3308. Mr. *Turner.*] In fact, as a guard against the danger of petroleum, such a prohibition in an Act of Parliament is practically of no use?—That is my opinion

3309. Mr. *Tite.*] How many gallons does a petroleum cask usually hold?—I should fancy about 100 gallons.

3310. Do you know the quantity of petroleum imported into Liverpool?—No, I only know that it is very large.

3311. Mr. *Horsfall.*] In Liverpool the special legislation, which is so stringent, is under one of the bye-laws of the corporation, is it not?—I doubt if there is any bye-law.

3312. But there is the power to make bye-laws?—I do not remember.

3313. Mr. *Turner.*] You said that, as far as your experience is concerned, there have been no fires from petroleum in warehouses?—No, not in warehouses.

3314. Therefore, with regard to the argument, from your experience as between Liverpool and London, there is no experience to draw a conclusion from with regard to warehouses?—No, I think not.

3315. In fact you have no experience to guide you with regard to the actual facts as between Liverpool and London?—No.

3316. But all the evidence goes to show that it is possible that the petroleum stored in London, notwithstanding the directions of the Act of Parliament, may be just as inflammable as the petroleum stored in Liverpool?—I think so.

3317. All the petroleum comes from the same country?—Yes.

3318. And is sent indifferently to Liverpool and to London?—Yes, I believe so.

3319. Is there any ground, so far as you know, for the supposition, that petroleum of one kind goes to Liverpool, and that petroleum of another kind goes to London?—No, none whatever.

3320. Mr. *Horsfall.*] Nor do you know of any difference between the two Acts?—Except that in the General Act the limiting of 100 degrees is inserted, and in the Liverpool Act it is not; in the case to which I referred, which was only before the magistrate last week, the defence was, that the petroleum was not stored within the borough, and that it was not up to a firing point of 100 degrees.

3321. But you know of no bye-laws published by the corporation under the authority of the Liverpool Act?—No, except for licensing certain warehouses.

3322. *Chairman.*] But surely if the door is left open, which is done by the Liverpool Act, where there is no firing point, the importer would be inclined to send into Liverpool, oil of a low

low firing point, rather than to London, where the firing point is limited 100 degrees?—No doubt that would be so.

3323. Mr. *Turner.*] Is it not the fact that those people argued, that being outside the borough, they were not subject to the Liverpool Act?—Yes.

3324. Therefore, the Liverpool Act would have prevented their storing this very petroleum which they argued, being out of Liverpool, they could so store?—Yes.

3325. *Chairman.*] How would the Liverpool Act have prevented them storing that petroleum?—Simply because it is petroleum.

3326. But it could not have prevented them storing it in petroleum warehouses?—No.

3327. Mr. *Turner.*] But it would have prevented them storing it in any such description of warehouse as that in which it was stored under the general Act?—Yes, precisely.

3328. Those warehouses are not as secure as they would have been under the Liverpool Act?—No, because of the storage of the oil with other goods.

3329. I believe that the magistrate in that case decided that they must remove the petroleum?—Yes.

3330. The Liverpool Act would have prevented that which those people did?—It would.

3331. The warehouses under the Liverpool Act are so constructed as to make it less liable to take fire, and if the oil did take fire, less liable to do damage?—Just so.

3332. *Chairman.*] The Liverpool Act appoints separate warehouses for the storage of petroleum?—Yes, of a peculiar construction.

3333. That is all?—Yes.

3334. Mr. *Turner.*] The warehouse is so constructed as to make it less liable to take fire, and it makes any fire less dangerous?—It makes a fire less dangerous, certainly.

3335. *Chairman.*] We may call the Act the Liverpool Warehousing Act, and nothing more?—Just so.

3336. Mr. *Horsfall.*] That Act gives the Corporation power to make bye-laws that may be as stringent or more stringent than the general Act, does it not?—Yes, but I am not sure that they have made any bye-laws except to license certain warehouses. I saw some experiments tried when the first petroleum was brought in. A cask of petroleum was thrown into a furnace, and so on, and it took a very long time before the fire reached it; of course, when it did reach it there was a great blaze, but it did not explode.

3337. *Chairman.*] But are you aware that it is not the liquid that explodes, but the fire coming in contact with the vapour?—Yes.

3338. If the vapour is raised from petroleum, at a temperature of 84 degrees, as we have had registered this year already, is it not dangerous to store such oil in any warehouse?—There is no doubt of it; I only meant to convey to the Committee that with regard to petroleum, as an article of commerce, properly stored, I would just as soon insure it as I would insure cotton or jute.

3339. Quite irrespective of the firing point?—Quite irrespective of the firing point.

3340. Mr. *Turner.*] You mean properly stored under the Liverpool Act?—Yes; the objection to petroleum is, that if it has an opportunity of running away, it carries the fire with it.

3341. *Chairman.*] I presume that you have not turned your attention to those mineral oils chemically?—No.

3342. Has your company taken up the question of storing petroleum, or have they made any special bye-laws for warehouses?—No, none whatever; I think there are some special bye-laws in London, but we do not introduce them in Liverpool at all.

3343. Mr. *Turner.*] You rely on the Act?—Yes.

3344. Lord *R. Grosvenor.*] In fact the premiums are the same in Liverpool as in London?—The premium on petroleum in Liverpool is the same as for any other goods, but the premiums in London are very different from those in Liverpool.

3345. I speak of petroleum alone?—I think that in London we charge a much higher premium than we do in Liverpool.

3346. *Chairman.*] That is on account of your special warehouses?—Yes, that is on account of our special warehouses.

3347. Your means for extinguishing fires in Liverpool are very efficient, are they not?—Yes, they are almost too efficient sometimes; there is more damage by water than by fire.

3348. Is there any suggestion that you could make to remedy that?—I do not know that there is, except having a little more discretion on the part of those who have the control of it. We had one very striking case which occurred four or five years ago, in the Albert Dock Warehouses, where saltpetre was stored. One of two bags of saltpetre took fire from some cause or other, and if those bags had been taken out, the whole matter would have been at an end; instead of that, the cellar was flooded with water, and it cost several thousands of pounds to repair the damage.

3349. I suppose that the means for extinguishing fires are quite efficient, but there is a little want of discretion on the part of the members of the fire brigade?—I should say so; that is, supposing always that the water is at a proper pressure, which we frequently find it is not.

3350. From your connection with your insurance company, do you know what is the state of the law in other towns besides Liverpool with regard to extinguishing fires?—With regard to Manchester, there is a local Act which authorises the corporation, I think, to establish fire engines, but it makes no provision for the payment of the cost. In Liverpool we have power to levy a rate, and in London now, under the Metropolitan Act, there is power to levy a rate also.

3351. How is the fire brigade supported in Manchester?—I believe that it is supported out of the general rates of the town and the payments by the companies; the insurance companies pay a large commutation sum; that sum, in addition to what is paid out of the general rates of the city, furnishes the means by which the brigade is supported.

3352. Mr. *Tite.*] Is there not some regulation in Liverpool by which the party where the fire happens is compelled to contribute to the support of the engines and the water companies?—There is a regulation to that effect, but it is carefully *not* put into force.

3353. Is that a bye-law?—No, it is in the Act of Parliament.

3354. But it is inoperative?—It is never used.

3355. Mr. *Horsfall.*]

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3355. Mr. *Horsfall.*] On what principle do the fire insurance companies contribute to the fire brigade, who direct their attention to putting out the fire, whether the property is insured or not?—The Bill which originally established the fire police in Liverpool provided that the companies, as companies, should pay in the case of insured property endangered as well as that which was on fire; but when the Act came to be put into force it was found so cumbrous and inoperative, that a commutation was agreed on between the corporation and the offices, which we paid for many years; 350*l.* a year was our contribution; I mean that of all the companies together; that gave us the use of engines without charge for the securing of the salvage; of course we had to pay the expenses for working them, but we had no charge for the engines themselves.

3356. *Chairman.*] Have you any steam fire-engines?—Yes; we have one, certainly, if not two.

3357. Does the damage from water arise from their use?—No, from the use of an ordinary engine; and it is hardly the engine even, it is the pressure of the water itself; in many cases we do not require any engine at all.

3358. Mr. *Turner.*] It is the want of discretion in those who pour the water that does the mischief?—Yes, without looking to see where the fire is.

3359. *Chairman.*] Is there anything which you would suggest to the Committee for putting a stop to that enormous increase of fires that you have told us of?—There would be nothing so effectual as an inquiry into the origin of fires.

3360. Have you tried that in Liverpool at all?—We have tried it as far as we can, but we have no power to enforce the giving of evidence; we cannot take evidence on oath.

3361. To whom would you entrust the conducting of such an inquiry?—I have given that matter a good deal of consideration since this Committee was appointed, and I think that the best arrangement is that which exists in some of the cities in America, namely, the appointment of a fire marshal, whose duty it should be to be on the spot when a fire takes place, and immediately to enter on the necessary investigation. The investigation, I think, should be kept distinct from anything approaching to the criminal jurisdiction of the country, and be privately conducted, because he would get information in that way which he otherwise would not get.

3362. But do you think that if the investigation was conducted privately it would debar other people from setting fire to their places?—I think if it were known that there certainly would be an inquiry, it would have all the moral effect of a public investigation.

3363. Do you know how the fire marshal is paid in America?—I do not.

3364. Can you inform the Committee what is the practice in other countries with regard to such investigations?—Yes, I have had a return from several of the countries on the Continent, which I have arranged in a table. I have had one from Hamburg, Copenhagen, Gothenburgh, St. Petersburgh, Berlin, Paris, and Havre. The arrangements in Paris and Havre seem to be very different, and whether they proceed under a local or a general Act I do not know.

3365. How is the investigation originated in Hamburg?—By the police; it is conducted by the chief of the police.

3366. Is it compulsory in all cases?—Yes, in all cases.

3367. How is the evidence obtained?—The police obtain the evidence; they take possession of, and arrest, the suspected person, and prosecute him, if he be thought guilty.

3368. But the inquiry takes place, and if the property is insured the settlement of the claim is deferred until the termination of the inquiry?—Yes, except in the case of the neighbours who are free from suspicion; they need no certificate.

3369. In Paris a man insures his neighbour's house as well as his own, does he not?—Yes.

3370. Now, what is the law in Copenhagen?—The police originate it; the superintendent of police conducts the inquiry, which is compulsory. The police find out the evidence, and if there be any suspicion, the case is handed over to the criminal court. No payment is made until the inquiry is ended, and a certificate is issued.

3371. How is the law in St. Petersburgh?—The same.

3372. How is it in Berlin?—It is the same there. The Attorney General prosecutes, in the criminal court, and arrests the suspected party, if necessary. In Paris there is this distinction, that it is the insurance company who originates the inquiry, and it is conducted before a justice of the peace.

3373. You think that there should be a special officer appointed in every borough, like the fire marshal, in America, for conducting those investigations in this country?—I do not think it would be necessary that it should be his only duty, but that some fit person should be selected for that purpose, and appointed.

3374. Do you think that we could safely vest that power in the hands of superintendents of police in boroughs and in counties?—That would be very objectionable, in my opinion.

3375. Is there any existing officer into whose hands you think you could put that power?—I am not quite clear there is, but I am not quite clear that there is not.

3376. How do you think the coroner would do?—He moves only accompanied by a jury, and he is not always selected for his fitness to make such inquiries. In some cases you have a medical man for coroner.

3377. What do you think would be the qualification for such an officer; would you require him to be a chemist?—Chemical help is very easily obtained, but I think that the person to investigate the origin of fires should be rather one who is in the habit of sifting evidence. I would rather take a sharp lawyer.

3378. Mr. *Horsfall.*] You have stated that a coroner necessarily acts in conjunction with a jury, but we have it in evidence that there are many inquiries conducted without the necessity of a jury?—I was not aware of that. I am aware that in cases of sudden death, on receiving a certificate with regard to the cause of death, the coroner can dispense with an inquiry, but no coroner's inquiry can exist without a jury.

3379. Mr. *Turner.*] Is not it the fact that the coroner decides whether there shall be an inquiry *proprio motu*?—I believe so.

3380. When he decides that there shall be an

an inquiry, he must call a jury, must he not?—Yes.

3381. *Chairman.*] Besides the fire brigade in Liverpool, you have a salvage corps, have you not?—Yes; it is supported by the offices entirely.

3382. Could they not prevent that destruction of goods by water?—The salvage corps have no power whatever except such as they may assume or such as may be conceded to them. The duty of putting out fires is vested in the fire police altogether. The salvage corps only save goods endangered by fire, which they can remove without interfering with the operations of the fire police; they have no control over the operations of the fire police at all.

3383. Lord *R. Grosvenor.*] With regard to the appointment of a fire marshal, you propose that he should attend every fire in person?—Yes; that he should attend every fire in person.

3384. He would be fully employed in London?—Yes; but of course he cannot be supposed to be at three fires at a time, but as far as he could do so, he should go from one fire to the other.

3385. But you think that it would be objectionable for the superintendent of police to be the officer?—I think the officer should be distinct from the police; that is very important. I do not want to identify him in any way with their operations.

3386. But is it not very important that the evidence should be taken immediately a fire occurs; the fire marshal, or the party to conduct the investigation, should be on the spot immediately, should he not?—No doubt.

3387. It would be impossible for one fire marshal in London to be in all the places at once where there was a fire?—But there would be no reason why there should not be one for each district.

3388. In country towns it would be very difficult to find a man who would be able to conduct the investigation, unless he was the town clerk or the superintendent of police?—No doubt in a country district one man would take charge of a large district; all I mean is, that he should be on the spot as soon as he can.

3389. I presume you wish that every fire should be investigated?—Yes, in that way, first privately and quietly; in fact, always privately; but in many cases it would be only necessary to ask a question or two to satisfy the fire marshal that all was right.

3390. It would be invidious to pick out particular cases, you think?—Yes, quite so.

3391. Can you give the Committee any tables of the Liverpool fires that have happened within the last few years?—No.

3392. Do you insure ships in Liverpool and London?—Yes; we insure ships in Liverpool and London against fire, but not against sea risks.

3393. Now with regard to ships which have been insured against fire, have you had any cases of spontaneous combustion from jute on board ships?—Not that I know of.

3394. Have you ever had a case of spontaneous combustion from jute?—We have had cases alleged of spontaneous combustion from jute.

3395. But you have had some doubt that it was not spontaneous combustion?—Very little doubt.

3396. Perhaps in London a great many of those "spontaneous combustion" fires from jute take place when there is a great fluctuation in prices?—Possibly it may be so; but I should take that to be rather a concurrent circumstance than the cause.

3397. Still jute is an article which has fluctuated very much indeed, has it not?—No doubt it has; but there is no object in any holder of jute setting fire to it, because he can only recover the market value of it, and he can sell it for that unless he holds a very much larger quantity, and wants to raise the price by selling a little; but there can be no explanation of that kind practically applicable.

3398. Mr. *Horsfall.*] Do you not admit of a specific valuation on jute?—No.

3399. Lord *R. Grosvenor.*] You insure it at the market price?—Just so.

3400. Has that always been the case?—Yes, with the exception of a very short period between the years 1861 and 1865, when there was a practice established in London of paying the contract price, which was found to be full of danger; some of us protested against it; we were overruled at first, but at last we succeeded.

3401. During that time there were some heavy jute fires, were there not?—There were some heavy fires certainly; but at all events there was an inducement, which we thought it desirable to remove.

3402. Was spontaneous combustion known to fire insurance offices 10 years ago?—Yes, we have always known of it, but it has been much more prevalent of late years. I mean alleged spontaneous combustion.

3403. But you have had long experience in fire insurance?—Yes.

3404. Spontaneous combustion was not nearly so common 10 years ago, was it, as it is now?—No, I think not.

3405. Mr. *Lush.*] You have mentioned that there has been a great increase of fires during the last few years?—Yes.

3406. Does that apply to London, Liverpool, and Manchester only, or to the country generally?—To the country generally; the whole of Great Britain and Ireland, except that it applies particularly during the last 12 months, to the woollen mill districts; but that arises from causes which we can explain, namely, the introduction of improper oils, and so on.

3407. This increase is spread all over the country?—Yes, very much so.

3408. Is it among the commercial classes?—Among the trading classes, including shopkeepers.

3409. Is it not among private houses or farmers?—Not so much, certainly.

3410. Do you think that a great many fires arise from carelessness or indifference, or that they are partly incendiary fires?—My impression is that carelessness may have something to do with it. The fact is, if a man has a bad trade, and is carrying on an expensive establishment, he becomes less careful, and he knocks off a servant here and a servant there, and that may cause the increase of fires without imputing any intention; I mean merely the absence of ordinary precautions, which would be taken if trade were good.

3411. You think, among that class, that bad

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trade creates a tendency to be indifferent?—Yes, I think so.

3412. And that a good many fires come from carelessness and indifference?—Yes, but there are some curious coincidences sometimes.

3413. Fires which you believe to be the work of incendiaries?—Yes, we are under that impression.

3414. Do you think that insurance companies are as careful as they ought to be in taking risks?—It does not do for a man to sit in judgment on his neighbours, but we are as careful as we can be.

3415. But I mean the insurance companies as a body; are they as careful as they ought to be in taking risks?—I do not think that they are.

3416. Do they not take almost any risks that are offered?—Possibly some of them do, but certainly we do not; many of the risks which we have declined to take have been taken by other offices.

3417. Is it not the fact that some companies take almost any risk offered to them?—Yes, there are very few people who cannot get insured at all.

3418. Do you think that all the companies are as careful as they ought to be in appointing their agents?—I should say, probably not.

3419. Are any of the agents employed very needy men?—Yes, I believe so.

3420. What commission do the companies offer to the agents?—That is a very difficult question to answer; it varies from something like 7½ per cent. up to 25 or 30 per cent.

3421. We may assume as a rule, that any office that gives 25 per cent. is not a first-class office?—I should say that it does not conduct its business in a first-class manner.

3422. Now do you think, when an office allows an agent to get 25 per cent., that they hold out an inducement for him to take any risk that comes in his way?—I should say a very strong inducement.

3423. Do you think that the agent would be very particular in that case?—I should think not.

3424. Bearing in mind, perhaps, that he is a needy man to begin with?—Just so.

3425. Looking at all those things together, do not the companies offer a great many temptations to raising fire?—I do not hesitate to admit that the companies have to thank themselves for a great deal of the evil they have suffered from of late years.

3426. The companies are much disinclined to prosecute, are they not?—Some are; we feel that we have scarcely a fair chance. There have been more prosecutions within the last 12 or 18 months, on the part of the offices, than I have known for a long period.

3427. Then seeing that the companies are so careless in taking risks, and that it is the interest of the agent to take anything, what would you recommend us to do with such a class of men?—You must leave the companies to take care of themselves; you have to legislate for the public, and you can do nothing more effective than instituting an inquiry for the purpose of stopping fires.

3428. With regard to life insurance, in your opinion, as a rule, can you depend on the premiums for life insurance?—You may, as a rule, I think, with respectable offices; but if you have the same reckless commission (and I have heard of 50 per cent.) I would not be responsible for the sufficiency of the premiums.

3429. Are the premiums for fire risks as well adjusted in proportion to the risks as the life premiums?—No, I do not think that the material exists for the same accuracy of adjustment; we have not the same data to go upon.

3430. Do you think that the premiums on fire insurance are too low?—As a general rule I do not know that I should say that they are. No doubt they are too low in certain cases, but I cannot easily answer a general question of that kind; if you take a particular risk, I dare say I can answer; but my impression is that, generally speaking, the premiums are not too low, though there are instances to the contrary, no doubt.

3431. You have seen a man in business who is very unsuccessful blaming the world for it, when it is his own fault. I want to know whether you think the premiums are too low, and that that is the cause of insurance companies complaining so much of their losses?—I think the premiums are too low for the class of fires which we have had to meet for the last two years: but then, the class of fires that we have had for the last two years are such as the premiums are not intended to meet them; there has been so large an infusion of fires which are not accidental, which are wilful fires beyond all question, that it is impossible for the premiums to meet those cases.

3432. You mean commercial fires?—No, not simply commercial fires. I have taken out the home fires of our establishment for the last three years; the fires of 2,000*l.* and under in those three years are equal to all the fires that we had paid higher sums for.

3433. You have mentioned that the premiums in Liverpool are different from those in London?—Yes.

3434. What class of risks do you refer to?—Commercial risks.

3435. Are the premiums cheaper or dearer in Liverpool than they are in London?—Generally speaking they are lower in Liverpool than in London.

3436. What do you think is the cause of that?—Our warehouses in Liverpool are infinitely superior to the London warehouses.

3437. Are they infinitely superior to our West India Docks or London Docks?—Your West India Docks I put on a par with our Albert Docks; but our Liverpool Dock warehouses are superior in construction to the London Dock warehouses; very much so indeed.

3438. Mr. *Turner.*] You mean those constructed by the Mersey Dock and Harbour Board; the Albert, Stanley, and Wapping Docks?—Yes. The reason for putting them on the same footing as the London Docks is this: that we have so very large an amount of cotton which is a great cause of fire in Liverpool, and you have here so large an amount of coffee, sugar, and West India produce; we set one against the other, and we say that the liability to fire is with us, and the danger of extension is with you.

3439. Mr. *Lusk.*] How many cotton fires occur in Liverpool as a rule per annum, taking the last five or ten years?—Frequently we have not a fire at all; one or two would be the extent; frequently it is a very small amount.

3440. How

3440. How many fires occurred in Liverpool last year?—I think there were about 13.

3441. Cotton fell very much at that time, did it not?—It has varied in price very much throughout the year.

3442. Are there any means of accounting for that tremendous difference?—There is no question that it was theft.

3443. With regard to London, you say that you have better warehouses in Liverpool than we have?—Yes.

3444. How could you steal cotton from the London Docks or the West India Docks?—We have had two fires in St. Katherine's Docks within three months of each other in the course of the year 1866, and I have no doubt that those were the consequences of theft; one of the men working in St. Katherine's Dock at that time, a foreman, was subsequently prosecuted by us for setting fire to his own house.

3445. That was a cooper, was it not?—Yes; he was convicted and sentenced to 10 years' penal servitude.

3446. He was in the coopers' department, and had nothing to do with the warehouses?—I do not know that.

3447. Our docks being under the customs lock and key, how could a man take away a bulky article without their notice?—The warehouse in which the cotton is stored is not under the custom-house lock and key, because there is no duty.

3448. All those large warehouses are under bond, are they not?—Not all; some of them are.

3449. You are aware that the West India Dock is under bond, and the London Dock?—No, there are only some parts which are.

3450. Scovell's wharf and Hayes's wharf?—Certainly, where there is tea deposited.

3451. Yes, and cotton too; and if they are under the Customs lock and key a man cannot take out such bulky articles without their notice, can he?—I am not sure that that follows as an absolute fact.

3452. Mr. *Turner.*] Are you not aware of cases in which goods under the Customs lock and key have been stolen?—I am aware of cases where whole cellars have been emptied of goods under the Customs lock and key.

3453. Are you not aware of one case in which, when the room was opened after some years, nothing was found in it, though it had been all the time under the Customs lock and key?—Yes, under the Customs lock and key.

3454. Mr. *Lusk.*] Can you give the Committee some instances applicable to London?—If you want evidence of that kind, although I am not in a position to give it you myself, I can put you in the way to getting it, and not on a small scale either, and that with regard to the London Docks.

3455. Do you know anything about the French mode of settling losses?—No, I have never had any dealings with France in the way of fire insurance.

3456. Do you know the Hamburg mode of settling claims; do they pay the whole loss or only a part of it?—They pay up to the amount of the policy.

3457. I have heard it stated that they only pay two-thirds of the loss in Hamburg?—I am not aware of that.

3458. You know the Average Clause, of course?—Yes.

3459. Do you think that the Average Clause should be inserted in fire policies as well as sea policies?—Yes, as a rule, but it would be very difficult to apply it in the case of buildings.

3460. Do you think that the present loose way of insurance is productive of good?—No, I think the sound principle is to put the Average Clause in.

3461. Now, with regard to petroleum, you think it is not desirable to interfere with that trade?—Yes.

3462. Why not as well as with gunpowder, for example?—If you can interfere with the trade in petroleum, so as to secure its not being dangerous to the community, that would be useful, but subject to the necessary precautions the trade in petroleum should be as free as the trade in any other article.

3463. But why should we not interfere with dangerous petroleum as well as dangerous gunpowder?—I would interfere with it; I approve of the Liverpool Act.

3464. You would admit that it should be examined if it were necessary?—I would rather insure it on its own reputed merits than insure it by the result of its examination. I should have much more confidence in dealing with it in that way than in discriminating with regard to it upon the results of an examination.

3465. You would have more confidence in the party interested giving you a description of it?—No, but I would deal with all petroleum alike; I would put all those mineral oils away, so that in the event of their taking fire they should not endanger any other description of goods.

3466. But how are you to deal with shops?—You must take your chance.

3467. And how are you to deal with warehouses?—These oils have no business to be stored with other goods. I am aware of the difficulty of retail dealers, but you must have it just as you must have gunpowder.

3468. You are aware that the Customs take the strength of every cask of brandy?—Yes, but it is for the purposes of the seller, and perhaps something with regard to duty too.

3469. Would not it be a very simple matter with every cask of petroleum, if you put a halfpenny per gallon duty on it, to try the strength of it?—It could be done.

3470. Is it not a simple process?—It would be as simple to do it as in the case of brandies; but I apprehend that the labour would be very much greater; the number of casks to be treated would be enormously greater.

3471. Lord *R. Grosvenor.*] And no great good would result from the testing?—Just so.

3472. Mr. *Lusk.*] I thought you implied that it was impracticable?—Yes, on account of the extent of the trade; of course it is possible.

3473. You think that no good would attend it?—No adequate good.

3474. We have had evidence before this Committee that a quantity of petroleum is stored in this country, which, if the temperature be at 84 degrees, takes fire of itself?—I would store it by itself.

3475. *Chairman.*] But then it comes into common use; you have heard of explosions from mineral oil-lamps, I suppose?—Yes, no doubt we

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have fires in private houses occasionally from the use of those oils, and I think some ships have been set on fire occasionally from the same cause.

3476. Lord *R. Grosvenor.*] All this danger would be obviated by the petroleum being stored in well-seasoned good sound casks?—That is a point which we have no control over.

3477. The leakage is the dangerous thing, is it not?—Yes.

3478. *Chairman.*] Have you not seen reports of accidents in private houses or retail shops from the pouring of petroleum out of one vessel into another?—Yes.

3479. What is the use of a well-seasoned cask in that kind of case?—I recollect a case in a woollen mill in Yorkshire, where the petroleum was fired from an enclosed lantern at a distance of six feet from the cask, and two men who were there, and who tried to put the fire out, were seriously injured, and one of them died.

3480. That might have occurred in one of your warehouses at Liverpool?—No doubt. That is why I say you have no security with regard to the kind of petroleum brought into the warehouses.

3481. Mr. *Horsfall.*] I apprehend that they are not allowed to take lights into the Liverpool warehouses?—They are strictly prohibited.

3482. *Chairman.*] But these vapours would travel beyond the warehouses?—Yes; but the further they travel the less injurious they become.

3483. Mr. *Lusk.*] You are aware that petroleum of some descriptions takes fire immediately the temperature comes up to 84 degrees?—That is stated, and I have no doubt there are various degrees of temperature at which it would do so, and I do not think that you can find any remedy for it; that is the necessary condition of the article; and the only precaution which you can take is to prevent its being stored in connection with other goods and in improper places, and that if it takes fire it shall not run away.

3484. Are there not kinds of petroleum that come into this country which are of a peculiarly inflammable character?—I believe so.

3485. How is it then that some of the oil imported will not take fire until you get to 110 degrees?—It undergoes some process on the other side.

3486. It is well manufactured, I presume?—I suppose so.

3487. If you were to prevent the importation of any other petroleum, would not the senders adapt themselves to the market?—No doubt they would.

3488. And an exciseman would be able to take the strength of it when it came in?—No doubt.

3489. You say that you would appoint a fire marshal?—Yes.

3490. And that he should inquire into the cause of all fires?—Yes, that he should inquire into the cause of all fires; in fact, that he should make an inquiry, more or less searching as it was found necessary; in some cases the cause is patent.

3491. You think he should be the judge whether he should proceed with the inquiry or not?—I think so, if he is an intelligent man.

3492. You think that the inquiry should be private?—I think that it should be conducted privately.

3493. Do you think that the English people like a court of justice conducted privately?—I do not call that a court of justice; I distinguish between such an inquiry as that and proceedings for the purpose of justice.

3494. Before whom would the fire marshal take a case that he thought was not exactly what it ought to be?—Before a magistrate.

3495. He would only give the man into custody of a policeman, so that he would be himself only a superior policeman?—He would be more than a superior policeman.

3496. Under the London Building Act, if a chimney takes fire the man in whose house the fire happens is to be brought up before a magistrate?—That is common in all Building Acts.

3497. There would be nothing remarkable in bringing a man before the magistrate if a fire took place elsewhere in his premises, would there?—I think it would be very invidious if a fire took place which was obviously accidental.

3498. Do you think it is right that a man, for a small fire in his chimney, should be brought before a magistrate, and that a man for a large fire in his house should not be brought before a magistrate?—I think it is most important that persons having fires in a district shall be brought before the same individual (whoever he is), in order that he may have a knowledge of the men's faces. We know perfectly well that some individuals, going under different names, have a good many fires, and our object is to secure the man's identification, to prevent that kind of thing.

3499. You say that you think the coroner is not the right person to inquire into the causes of fires?—I think not.

3500. But your fire marshal turns out to be like a superior policeman, to bring every doubtful case before a magistrate, if he thinks proper?—I have here some reports from the fire marshals of Baltimore and New York; and if you were to cast your eye over one of them, it would show you that it is not exactly a superior policeman that I have in my mind; it is an independent official, who holds his appointment from the mayor and corporation, and who exercises the function really of a comptroller, with regard to the collectors, or something of that kind. He supervises, and sees that all parts of the fire department are in order, keeps a catalogue of all the fires, the amount of damage, and so on.

3501. But who should be the judge in an enquiry, how far the enquiry should be pushed?—The fire marshal.

3502. You would give him the power to say whether a man is guilty or not?—No; I would give him the power to say whether or not it is desirable to proceed further with the enquiry.

3503. You make him the judge in that case?—I do; I presume that he would be the best qualified person, because his mind would be devoted to such questions.

3504. Do you not think that the police know those fire office swindling gangs as well as any class of men?—But they are not brought within the cognisance of the police; there is no machinery for that purpose.

3505. But do you not think that the police know them, as well as any other class of persons?—They may, but I am not quite sure that they do.

3506. Do they not, as a rule, know the indifferent

different characters throughout the country?—No doubt they know all that are brought within their purview, by committing open crimes, but I doubt if they know much of what we call secret crimes.

3507. You think that the fire marshal should send the suspected man before a magistrate?—Yes, in certain cases.

3508. Who do you think should prosecute?—That is part of the machinery; sometimes the fire marshal might very properly indicate who should prosecute; sometimes the office ought to prosecute, and sometimes the public ought to prosecute.

3509. Mr. *Tite.*] With regard to the fire marshal and his operations in the United States, I suppose you learn that from those returns, rather than from any practical knowledge possessed by yourself?—Yes.

3510. You think it should be the duty of the fire marshal to attend at all fires, and that wherever there is a fire, the person should feel that he is exposed to an enquiry?—Yes; certainly.

3511. And that if the fire marshal had an impression that the enquiry should go further, it would be his duty to lay the evidence before a magistrate?—Yes.

3512. You do not mean that you would constitute him a judge, except for the purposes of deciding where the circumstances were so suspicious, as to call for a public enquiry?—Just so.

3513. You apprehend the moral effect of that would be, that even one who contemplated the crime, knowing that there would inevitably be some inquiry, would be deterred from setting fire to his place?—I do.

3514. With regard to the cases of fires occurring when the trade in some commodity is particularly bad, do you recollect when the insurance companies refused to insure sugar houses for some time on account of the enormous extent of fires in sugar houses in London?—That was before my time.

3515. You insure them now, do you not?—Yes.

3516. At a large premium?—Yes, at two guineas per cent.

3517. With regard to the Average Clause, do you know that it is compulsory in France on all moveable goods?—I think so.

3518. Do you think that it should be so in England?—I think that it should be compulsory on all goods in this country.

3519. If the Average Clause were enforced universally, as it is in many cases, do you think it would put a stop to a great deal of fraud on the fire offices, and necessarily and naturally to lessen the causes of fire generally?—The tendency would be, no doubt, to do that, but I do not know that its operation would be very direct; I think it would increase very largely the amount of insurance; there would be less property uninsured, but whether it would have, to the full extent, the moral effect that you suggest, I am not quite clear.

3520. Would it induce carefulness instead of carelessness?—I think to that extent it would have the effect you contemplate.

3521. And also here, as in France, it would enable you to reduce the premiums, would it not?—No doubt it would.

3522. You spoke of public warehouses; I suppose the public warehouses in Liverpool are not the same thing as public warehouses in London?—No; the whole system of warehousing in Liverpool is different from what it is in London.

3523. In truth, the heaviest fires in London have been in private warehouses, have they not?—No doubt, in the wharves. I thought that in London people called wharves public warehouses, but when I speak of public warehouses in Liverpool I mean the docks, and the private warehouses in Liverpool are those which are in private hands.

3524. Are the docks in Liverpool now surrounded with wharves as they are in London?—Some of them are, but not all of them.

3525. Then there must be more facilities for plundering than there are in London?—The only opportunity of plunder that they have in the docks is when the goods are landed; but we have had instances in Liverpool of goods being taken from the ship's side and sent up into the country; that was so in 1842 and in 1843, when we had a great many fires, such as we had in the year 1866.

3526. You spoke of a warehouse being opened after being for some years under the Customs lock and key and nothing being found in it; was that a public or a private warehouse?—It was a private bonded warehouse, secured by the Customs lock and key.

3527. Do you consider that the precautions which are compulsory in Liverpool with regard to sheet-iron shutters for the doors and windows very valuable?—Very valuable and very necessary.

3528. You would like that made compulsory in London?—Yes, very much.

3529. Mr. *Turner.*] With regard to the private and the public warehouses in Liverpool; what you call public warehouses are under the Mersey Dock and Harbour Board, who have no interest in the goods beyond their safe custody?—Yes.

3530. The public warehouses in London are, in fact, private warehouses belonging to the dock companies?—Yes.

3531. The dock companies being all private institutions; merely companies?—Yes.

3532. Public companies, with shareholders?—Yes.

3533. They only differ from what you call private warehouses, that is to say, warehouses held by individuals, inasmuch as they are held by an aggregate of shareholders who are interested in the profit or loss of those warehouses?—Yes.

3534. Therefore, except the Government warehouses, there is no such thing as a public warehouse, properly so called, in London?—No, I think not; there is no warehouse in London which answers to the description of our Mersey Dock and Harbour Board warehouses.

3535. Whether held by the dock companies or private individuals in London, the companies or individuals are interested in the profit of the warehouse?—No doubt.

3536. Does it not therefore follow that it is the interest of the companies as well as individuals, in order to induce goods to be sent to their own warehouse, to make their regulations less stringent than they otherwise would do?—No doubt that is so.

3537. Suppose the case of dock companies not

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interested in the profit and loss of the warehouses, would they not be more unbiassed with regard to making stringent regulations which possibly might have the effect of keeping goods out of those warehouses, if other dock companies were willing to take them in under more lax rules?—Yes.

3538. The London system has, in fact, a tendency to make both the dock companies and individual keepers of warehouses less stringent than the Mersey Dock and Harbour Board, who have no interest in the profit and loss of the warehouses?—It has that tendency no doubt, but I am not sure that the fact is so.

3539. Is it not the fact that you have more difficulty (I will not say from what cause) in enforcing the regulations with regard to the storage of goods in the London warehouses than you have in the Mersey Dock and Harbour Board warehouses; in fact, is not the system of warehousing in London, by the dock companies, less stringent with regard to the storage of goods than it is in the Mersey Dock and Harbour Board warehouses?—I am not quite sure that I should say that.

3540. Is it not the fact, that in the fire in St. Katherine's Docks, saltpetre and other dangerous goods were found stowed away in close contiguity with jute and other inflammable articles?—That was so, I believe; but at the same time I believe that, lately, greater stringency has been introduced into the storage of the warehouses in London in those respects. But I think I have seen also in the warehouses of the Mersey Dock and Harbour Board precisely the same kind of mixture, not so far as saltpetre is concerned, but including jute and other produce, I think—coffee and sugar, for instance, on the same floor of the warehouse.

3541. No doubt coffee, jute and sugar can be safely stowed together, because one is not liable to take fire from the other?—No.

3542. But saltpetre is an article which is very dangerous, is it not?—Stored by itself it is as innocent as any article can be; it will not originate fire, as a rule. The danger of saltpetre is where it becomes mixed with charcoal, from the burning of wood which is near it, and then there is an explosion.

3543. If the jute first takes fire, and then that sets fire to the wood work, and it mixes with the saltpetre, there is great danger, is there not?—No doubt.

3544. Then, on the whole, the arrangement of goods is not so good in the dock warehouses in London as it is in the Mersey Dock and Harbour Board warehouses in Liverpool?—I have not that familiarity with the way in which the management of those warehouses is carried on to be enabled to speak positively on that subject. We are forced to take certain engagements from the dock companies that a certain classification of goods shall be observed, and I think it would be useful to introduce a provision into the Act, that, in the event of those engagements not being complied with, the dock companies should be responsible for the consequences. Of course, we should then have a security that the classification is carried out, and I am afraid that now we have not that security.

3545. *Chairman.*] Is not that the fault of the insurance companies in insuring property contrary to their own rules?—No; we are obliged to adhere to the system of trade in London; we are forced to take the assurances of the wharfingers and the dock companies; the merchants really do not know what becomes of their goods after they leave the ship.

3546. Mr. *Turner.*] The insurance companies have no means of ascertaining whether the regulations are carried out or not?—No, except by constant visitation or supervision.

3547. But in the case of fires in the London dock warehouses it has been found in many cases that those arrangements have not been carried out?—Yes, and in some cases in the wharves as well.

3548. You have been asked why petroleum should not be examined as brandy is examined; do you think there is any objection to making petroleum subject to the excise laws, and that it would interfere with business?—Yes, materially; there is great objection to making any article subject to the Excise laws.

3549. With regard to petroleum, if such an Act as the Petroleum Act of Liverpool were carried out, that would be sufficient protection against all ordinary danger, would it not?—Yes.

3550. As connected with a large insurance company, you would be satisfied to take risks under those circumstances?—Yes, we do that constantly.

3551. Does not the result of the inquiry which took place in the neighbourhood of Liverpool last week confirm you in the opinion that such an Act as the Liverpool Act should be extended to the whole of the country?—Yes.

3552. And was not that the impression of the magistrates?—I believe so.

3553. They thought it was desirable that the provisions of the Liverpool Act should be extended to the whole of the country?—Yes.

3554. With regard to the appointment of a fire marshal, which you say is very desirable, you wish that he should have full powers?—Yes; very large powers, at all events.

3555. He could not examine properly into the causes of fire unless he had the power to summon witnesses and make them speak when they came?—Certainly not; he ought to have the power to employ the police in any way, to take evidence on oath, or otherwise, and to order a prosecution if it should be so determined.

3556. Your idea is that he should inquire into every fire, and in all cases where the origin of a fire was doubtful or suspicious, he should have the power to prosecute before the magistrate?—Exactly.

3557. With regard to how he is to be paid you give no opinion?—No.

3558. In Hamburgh, you say, that the chief of the police does it?—Yes.

3559. In Hamburgh they have a peculiar law, the City of Hamburgh insures all house property?—Yes.

3560. They levy an insurance rate?—Yes.

3561. Private individuals are left to insure goods?—Yes.

3562. And private houses are insured by the community?—Yes.

3563. With regard to the description of officer to be employed in the country districts, I suppose a man of good common sense, who would have the power to summon witnesses, and who went to the scene of a fire as early as possible, would be the sort of man that you would select without

without his being a chemist?—Yes, but I should like a man who was in the habit of sifting evidence; I should prefer a lawyer.

3564. But a man of good common sense, with the power of sifting evidence, would be a better man probably than a mere scientific man?—I think so.

3565. He should act the part of a judge, who summons evidence and judges of the evidence when it is brought before him?—Just so.

3566. With regard to spontaneous combustion, is there any direct evidence, in such cases, of the mode in which combustion arises?—It is generally only an inference; it is generally confined to factories, I think.

3567. That must be so, from the nature of the case?—Yes.

3568. With regard to the companies being disinclined to prosecute, I suppose that any company which was known to be litigious in such cases would get a bad name?—Yes.

3569. And no company desires to get a name of that kind?—Certainly not.

3570. Therefore unless the evidence is very strong, so as almost to ensure a conviction, the companies are disinclined to prosecute?—Yes.

3571. In some cases where they have prosecuted without securing a conviction, they have been exposed to considerable odium, have they not?—If the circumstances justified prosecution I do not know that they have suffered much. I should not shrink, myself, from prosecuting if the circumstances were strong. Of course young offices are more tender than old ones, and it is a very strong case which would induce them to prosecute.

3572. But the evidence may break down, in the course of the inquiry. There was a very remarkable case a year or two ago, where an office, through a prosecution, lost considerably in its reputation, did it not?—I thought the office was very hardly dealt with, for the circumstances fully justified it in what it did, and the cause of the failure was really the way in which the case was conducted.

3573. But, in fact, the office did suffer?—It did suffer.

3574. It is a feeling of that kind which makes the offices disinclined to prosecute, is it not?—No doubt.

3575. With regard to the inquiry, whether it is conducted by a fire marshal or any other officer, you think it is most important, for the safety of the public, as well as for other causes, that the origin of all fires should be inquired into by a competent person, with full powers to make an investigation?—Yes, certainly.

3576. Mr. *Horsfall.*] I think you have stated that you consider it would be for the benefit of the public that this inquiry should take place?—Yes.

3577. Seeing that is for the benefit of the public, you would be of opinion, I suppose, that the public should pay the expense?—As a matter of principle, no doubt; but I can fancy cases where it would be right to visit the expenses on somebody else.

3578. Mr. *Turner.*] You were asked with regard to the salvage corps; you stated that they could not interfere in putting out fires?—Just so.

3579. I suppose you would consider that if there were two parties to put out fires, and with divided authorities, that would be very prejudicial?—No doubt.

3580. The salvage corps come into operation after the fire is put out?—It ought to come into operation during the fire, for the purpose of taking anything they could out of the fire.

3581. But the putting out of the fire should be all under one head officer?—No doubt.

3582. Mr. *Horsfall.*] You think that the inquiry into the causes of fire should be a private one?—I do.

3583. I apprehend you do not mean that the facts of the inquiry or the result of the inquiry should be private?—No; the fact of the inquiry taking place should be public, and the result of the inquiry would be known by the claim being paid.

3584. Your only wish is to obtain evidence that you might be able to get at the real facts of the case?—Yes; you can carry on an inquiry of that kind more efficiently and conveniently when it is done in an informal way than under other circumstances.

3585. Mr. *Turner.*] You think that the inquiry should be carried on in the same way as a police inquiry is carried on before the police make up their minds to take up an individual before a magistrate?—Just so.

3586. Mr. *Horsfall.*] You have spoken of the variation in the amount of the commission paid to the different agents varying from 7½ to 30 per cent.?—Yes.

3587. Under what circumstances is the commission so varied?—I cannot tell you; it is the varying practice of the different offices.

3588. Do they charge a higher premium when they pay 30 per cent. commission?—No; it is very often lower.

3589. That must be a very losing concern, must it not?—That is my idea, but every man knows his own business best.

3590. With regard to the special case which recently occurred, you think that the Act affecting Liverpool and the Act affecting the country generally should be assimilated?—Yes.

3591. So that if a borough is divided by a given street from the county, one should not have an advantage over the other?—I think so.

3592. *Chairman.*] I see in the London Mercantile Tariff, dated August 1861, it is stated that "One of the conditions for insurance is the removal of saltpetre and nitrate of soda to, and their deposit in, separate and approved stores, and a proper classification of merchandize, namely, hemp, flax, tow, and jute, not to be deposited in any warehouse or shed with other goods." That is a rule which the insurance companies have made, but do they insure quite regardless of that rule now?—No, our contracts are made with the merchants. Those engagements are entered into with the dock companies, the wharfingers, and the owners of warehouses. We make our contracts, relying on those engagements being carried out, and unless we happen to go in and see that they are or are not carried out, we have no means of knowing that.

3593. Is it not usual to send an officer to see whether the regulations are carried out or not?—We do that to some extent, but we cannot be continually going over all the warehouses.

3594. Therefore the London Mercantile Tariff is of no use?—It is of some use, no doubt; but there have been instances of fires which have

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occurred since the date of the Tariff, in London, where it has been found that the fire has been occasioned by an infraction of those engagements.

3595. Did you pay the insurers?—Yes, we were obliged to pay them. The hardship of our case in London is, that the merchants are too strong for us to make them responsible for a breach of those engagements, but in Liverpool our merchants are contracted with on certain terms.

3596. When you say that the merchants in London are too strong for you, you mean, I suppose, that there is too great a competition among the insurance companies?—I am not quite sure that I mean that exactly.

3597. But if there was only one insurance company, or only a few, say half the number, would you not have more power?—I think there would be no more power; we have heard something of compound householders lately, and we have compound directors, merchants, who are sometimes directors of insurance companies, and dock companies as well.

3598. Mr. *Lanyon.*] Have you any remedy to suggest with regard to the infraction of the rules with regard to the classification of goods in warehouses?—Yes, to make the warehouse keepers responsible for the consequences when they infringe them.

3599. Mr. *Turner.*] You would make it a penal offence?—No, merely a civil offence; that they should be liable to pay the loss.

3600. Mr. *Lusk.*] Some of the insurance companies insure a great deal abroad as well as at home, do they not?—Some of them do.

3601. With regard to those losses by fire which have increased so much, are they as much abroad as at home?—I think not; we confine our attention for this purpose to home matters altogether.

3602. In speaking about the large thefts of warehoused goods in London, you do not suppose that the dock companies or wharfingers are untrustworthy, do you?—No, it is not the dock companies, but it is their servants.

3603. You mean that some of the subordinates steal goods, and set fire to the premises, to conceal the theft?—Just so.

3604. The dock companies and wharfingers are responsible for the due delivery of the goods, are they not?—Yes, but if the goods are burnt there is an end of it.

3605. You do not apply that remark to any of the large warehousemen, I suppose?—No, I merely state the fact, I apply it to no one. The goods are found deficient; the warehouse is burnt down, and the result is that we have to pay the loss. There is another thing which is rather serious in connection with this subject, and that is where parties have charge of two or three warehouses in close proximity, they do not keep an account of the goods in each warehouse; they do not go into warehouse A or B to ascertain what it contains, but if warehouse A is burnt they have to count the stock in B, in order to ascertain what should have been in A. And then if there is a theft, we have to pay exactly as if the goods were there.

3606. Now, with regard to the classification of goods, the insurance companies, in the year 1861, made those regulations?—Yes.

3607. You tell the merchants that those are your conditions?—They are published, and we get an undertaking of some kind from the different warehouse companies and the wharfingers that they will devote certain warehouses to certain goods.

3608. Those are the conditions on which the insurance is effected?—No, they are not exactly the conditions on which the insurance is effected, because the conditions are not introduced into the policy.

3609. But that is the understanding?—Yes. There was a case in Beales' wharf in which there was a very large sum paid for tea. That warehouse was set fire to because something was introduced into the warehouse that ought not to have been there. There was a remonstrance addressed to the dock companies on the same subject; petroleum was found, discharged into a dock here, and other irregularities of the same kind. I am not in the habit of going into those places, but the case came before me.

3610. *Chairman.*] Have you anything to add to your evidence?—I think I have stated it is very important that the claimant should in all cases appear before the officer who makes the inquiry, whoever he may be.

3611. Mr. *Turner.*] I understood you to say you thought it important that the officer should have the power to summon everybody?—Yes, especially the claimant; then I think that a certain number of days should be allowed for the inquiry, and that the claim should not be paid until after the days were expired; nor should it be paid then, without the certificate of the inquirer, whoever he may be.

3612. Mr. *Horsfall.*] Why should you take it out of the usual category if the inquirer confirms the validity of the claim?—Perhaps I should be satisfied with the issue of the inquirer's certificate; but you do not always get at the facts immediately; 10 days or 15 days would be sufficient.

3613. But would you have any appeal from the decision of the inquirer, whoever he was?—I think if he declined to issue his certificate, he must then carry the case further.

3614. You would have him conduct the case?—I think he should determine whether the case should go on.

3615. But on the issuing of the certificate, you would have the amount paid?—Yes.

3616. After a certain number of days?—Yes, 10 or 15 days.

3617. Mr. *Lusk.*] Would not that be regarded as interfering between two private individuals entering into a contract?—No, I think not, except for the general advantage.

3618. If you make a contract in good faith, will it do for the Legislature to prescribe a number of days for the payment?—I do not know that that makes any difference.

3619. How could that be put into shape in an Act of Parliament?—It could be very easily done, I think; I may add that I think that the inquiring officer should always make a separate and independent report, as is done in America, with regard to the matters which come under his cognizance.

Mr. JOHN A. TINNE, called in; and Examined.

3620. YOU are a Magistrate in Liverpool, I believe?—Not of Liverpool, but of the county.

3621. Have you paid any particular attention to the storage of petroleum in Liverpool?—Not individually. I am retired from business, but as a magistrate of the county a case came before us the other day, and happening to be in London, I come to the Committee-room, because I feel interested in the subject.

3622. Will you kindly give the Committee the particulars of that case?—There were two matters which came before the consideration of the justices; one was the adjournment of a case of information against parties who had stored petroleum in a warehouse which had not been licensed; and then there was another matter, quite apart from that but still connected with it, in which same parties applied for a license for that warehouse, and the application for a license was not considered, because the information case had not been disposed of. The application for a license has been adjourned to Saturday, when it will come forward again. But it did appear to me, so far as the facts came before us in court, that in such a case as that, where a warehouse was on one side of a street and in the borough on the other, there might be conflicting jurisdiction, supposing the magistrates were to enter into consideration of the application for a license under the General Act. Liverpool itself has gone very much into this subject, and I am of opinion that it has a most perfect system of legislation with regard to the control of suitable warehouses for the storing of those combustible articles; and from what I have heard and already seen of the Local Act of Parliament for Liverpool, as well as the bye-laws passed by the town council and confirmed by the Secretary of State, which seem to embrace the whole subject, if a general Act could be extended, and similar powers given to the magistrates of the county generally of enacting in petty or quarter sessions bye-laws similar to those that exist in Liverpool, it appears to me that the matter might be met. But what struck me with regard to this case especially, was it being the first time I had ever sat on the bench in connection with the subject, that there might be conflicting jurisdictions.

3623. Do you think that the provisions of the Local Act are stringent enough?—So far as I am able to judge they are so, and that opinion is shared by gentlemen on the spot who are acquainted with the subject. As far as I can form an opinion on the subject, it strikes me that those gentlemen who are very deeply interested in the subject have devised measures for their protection which are very good.

3624. Is that as stringent as the General Act?—It is much more stringent than the General Act.

3625. Does it limit the firing point of petroleum at all?—I am not aware that the Local Act, which I have in my hand now, does relate to the temperature at which petroleum will ignite.

3626. But is not that a most important point?—No doubt.

3627. That is done in the General Act, is it not?—Yes.

3628. Would you say from that that the Local Act was as stringent as the General Act?—I think that the Local Act not only avails itself of the General Act, but also gives the power of passing bye-laws with regard to the construction of the warehouses themselves.

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3629. But I understand that the Local Act was passed before the General Act was passed?—I was not aware of that; but at the same time Liverpool has a particular advantage in this respect, that it has two or three Acts; a fire prevention Act and also a special Act with regard to petroleum itself; and under the Act which I hold in my hand they have power to pass bye-laws.

3630. But have you not sufficient powers as magistrates under the General Petroleum Act?—So far as I can judge, we have not the same jurisdiction; but my attention was more particularly called to that from the liability to conflicting jurisdictions on the different sides of the same street. Under the General Act one bench of magistrates might decline to give a license, and another bench of magistrates might give a license the next day on diametrically opposed principles.

3631. That case which came before you the other day had nothing to do with the quality of the petroleum, I suppose?—No.

3632. Or the dangers which arise from explosions?—No, it was merely with regard to the license for storing the petroleum.

3633. But you think that it would be an advantage to ascertain the firing point of petroleum before it was stored?—I should say, as a practical man, that it would be desirable to ascertain it.

3634. Do you think that there would be any difficulty in doing that before it is stored in the petroleum warehouses at Liverpool?—I am not a sufficient chemist to speak to that; I am not acquainted with the nature of petroleum.

3635. Mr. *Horsfall.*] You spoke of there being power, under the Liverpool Act, of enacting bye-laws?—Yes.

3636. Has the corporation enacted bye-laws?—Yes.

3637. *Chairman.*] But I see no reference whatever to the firing point of petroleum?—You will see that by the bye-laws which are before you. I thought it was desirable to state to the Committee that it would be very advantageous to have the same powers not only with regard to making bye-laws but with regard to other matters. Under the General Act there are no means of paying any surveyor or anybody else specially for inspecting warehouses.

3638. Mr. *Horsfall.*] You think it desirable that the Local Act and the General Act should be assimilated?—Yes, most of the local Members of this Committee are aware that the corporation of Liverpool have surveyors whom they can employ specially for that purpose; in fact, they have a much more perfect machinery for inspection than there is in the county for this matter, but from the extending character of Liverpool, those warehouses may be erected on the outskirts of the jurisdictions.

3639. Mr. *Lanyon.*]

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3639. Mr. *Lanyon.*] That surveyor is merely a surveyor to inspect the mode of construction and not the way in which goods are classified in the warehouses?—I presume that that would be a matter of detail which might be arranged; his office relates to the adaptability of the building.

3640. *Chairman.*] Is there anything else which you wish to state to the Committee?—No.

Mr. Francis Anderson Clint, called in; and Examined.

Mr. *F. A. Clint.*

3641. *Chairman.*] You are a merchant in Liverpool, are you not?—Yes.

3642. And a member of the Council of Liverpool?—Yes.

3643. And also a magistrate of the borough?—Yes.

3644. And chairman of the Watch and Fire Prevention Committee?—Yes.

3645. You have held that office for the last eight years, I believe?—Yes.

3646. Can you inform the Committee what are the duties of the chairman of the Watch and Fire Prevention Committee?—To preside at the weekly general meetings of the committee; to attend, as far as he can, the sub-committees, among which one is the Fire Prevention Sub-Committee, which takes charge of all matters relating to the fire department; the Fire Prevention Committee is grafted on the Watch Committee under the provisions of "The Liverpool Fire Prevention Act, 1843."

3647. You take charge of the fire brigade and all appliances and arrangements necessary for extinguishing fires?—Yes; the fire brigade being part of the ordinary police.

3648. I understand that you gave evidence in the year 1862?—Yes.

3649. And that in giving that evidence, you corroborated the evidence of Major Greig at that time?—I did.

3650. You must often have been brought in contact with Major Greig?—Yes, constantly.

3651. Have you seen him recently?—Yes, I saw him yesterday, before I left.

3652. Had you any conversation with him with regard to this Committee?—Yes, I spoke to him generally on the subject.

3653. Did you ascertain whether he had any additional evidence to give to that which he gave in the year 1862?—Yes; nothing on the point inquired into by the Committee in 1862, which was rather with regard to the constitution of the Liverpool Fire Brigade.

3654. But, I presume, he was aware that one of the points inquired into in this Committee was with regard to the means for ascertaining the causes of fire?—Yes.

3655. Did he suggest any means of doing that?—No; he has no better means of judging of the propriety or otherwise of any means than I have myself, because whatever happens is brought by him before the committee, week by week; we have a fire book laid before the committee every week.

3656. You have had a good many fires in cotton warehouses in Liverpool, have you not?—Yes, a good many from time to time.

3657. And a good many of them have been suspicious?—Many of them.

3658. Immediately that a fire occurs, do you make any inquiry with regard to the causes of the fire?—Not always; but if there are suspicious circumstances about it, the police have always set the detectives to work to get information.

3659. Have you always been successful in finding out the causes of a fire?—Scarcely ever.

3660. Why is that?—Principally because the police cannot examine any one on oath.

3661. How many fires were there in cotton warehouses in the year 1866?—I do not remember the number.

3662. I see a return here of 10 or 13?—Those are specially cotton; I think the police mentioned 240 or 250 fires of all kinds.

3663. But I refer particularly to cotton; proper inquiries were made into all those fires in cotton warehouses in the year 1866, I suppose?—Yes, where there appeared to be anything suspicious, but otherwise there was no inquiry; it is not the business of any one to make an inquiry.

3664. Then most of those were held suspicious, because you made inquiry into them?—Yes, a good deal of attention was turned to the subject of fires in cotton warehouses during the American war, when the price was exceeding high.

3665. But what had that to do with it?—Cotton was worth 2 *s.* 6 *d.* a pound, and that was a great reason for stealing it, and setting fire to the premises to conceal the theft.

3666. Your opinion is, that the cause of many of these fires is theft?—I am very strongly of that opinion.

3667. That is a secondary cause?—Yes, it is done to cover the theft.

3668. Did more fires arise in cotton warehouses when the price of cotton fell?—I cannot exactly say that; I should judge that there would be a greater tendency to steal it when the price was high.

3669. But in the event of a fall in the price of cotton when the cotton has been insured at a high value, do you not think that the proprietors of the cotton are as apt to commit incendiarism to obtain the amount of the insurance, as the servants and others are to do it to hide the theft?—I think that most of the thefts are committed by the servants. The insurer only receives the value of the cotton at the time it is burnt.

3670. If a man insures 100 bales of cotton at 2 *s.* 6 *d.* per pound, and it falls to 1 *s.*, what does he get for that?—He only gets 1 *s.*, because the insurance companies take power to replace the cotton.

3671. Mr. *Lanyon.*] The only way in which deception could take place, would be in the quantity?—Yes; the inducement to the servants to steal, is greater when the price is higher.

3672. *Chairman.*] The fire committee have made very stringent regulations with regard to superintending those warehouses, have they not, and as to looking after the servants who have charge of those warehouses?—Yes, the watch committee have, within the last year or two, told off,

off two policemen for the special purpose of going into the warehouses to see if the men have pipes and lucifer matches about them, and they have done a great deal of good; beyond that, of course, the police have nothing to do with it.

3673. What has been the result of those visits on the part of the two policemen?—The result I heard was, that they have taken 573 pipes, and so on, during the last two years.

3674. Do you think that there has been a decrease in the number of fires since you appointed those two policemen for the purpose of visiting the warehouses?—I think so; we felt sure that there was a great deal of smoking being carried on before the appointment of those two men.

3675. You have got several local Acts in Liverpool for the prevention of fire and for supplying means for extinguishing fires?—Yes; we had a Fire prevention Act passed in the year 1843, which was supplemented by an amended Act in 1844, in which there is a clause giving the police constables power to enter the warehouses, and which prescribes the way in which certain merchandise shall be stored. Take saltpetre, and other things of that kind; they must be stored in cellars with vaulted roofs; that Act was passed in consequence of very large fires which took place 25 years ago in Liverpool, and it was amended in the year 1844. In the year 1862 we obtained a bye-law for the better observance of article 12 of the Fire Prevention Act with regard to timber ends; that they should not meet together, but that the interstices should be filled with bricks, to prevent the woods touching each other; that bye-law was made in the year 1862. Then also, in the year 1862, the Fire Prevention Amendment Act was passed, giving the Corporation power to make bye-laws with regard to petroleum, which bye-laws were made. Then, in the year 1865, the Gunpowder Regulation Act was passed, and the Corporation of Liverpool obtained an Act of Parliament to deal with gunpowder themselves. With regard to petroleum, the Corporation endeavoured to induce the Government to pass a general Act; the Government were rather loth to do so, and recommended us to obtain an Act for ourselves, and then the Government passed a general Act, in which I think they rather borrowed from our local Act.

3676. Can you inform the Committee if there is any special provision in your Act of Parliament about the firing point of petroleum?—I think there is a certain number of degrees mentioned, but I am not very sure about that; my impression is that 100 degrees is mentioned, but whether it is so or not there is no attention paid to it.

3677. That is the general Act?—Yes; practically it is a dead letter, because petroleum is not inspected, so far as I am aware.

3678. Are you aware of any accidents having occurred from the sale of petroleum in retail shops?—Yes, I have heard of sudden explosions from its being drawn off in a tub by ignorant people, and taking fire and doing great damage; they are allowed to have 50 gallons without coming under the provisions of any Act.

3679. Do you see any difficulty in testing the firing point of petroleum before it is stored?—I see no difficulty whatever; I do not know whether it could be done by the ordinary police or not.

3680. Mr. *Horsfall.*] But it would be attended with great inconvenience to the merchants, would it not?—I do not know; it is laid on the quay, and I do not see why it should not be tested as other things are tested on the quay.

3681. Mr. *Turner.*] Suppose you had 500 casks of petroleum to your consignment from America, would there be no difficulty in testing each cask?—I would not test the whole of them.

3682. Say every five or 10?—I would let the officer take one here and there.

3683. But how would you do it?—I cannot tell you in detail.

3684. But it is not so easy a thing to test combustible material on the quay, is it?—I see no difficulty, and if there was any difficulty it should give way to the general safety and convenience.

3685. Mr. *Horsfall.*] If you had a cotton ship discharging in the next berth, how would you do?—They must do the best they could, but there must be some little inconvenience suffered in dealing with dangerous articles like petroleum; they might be put into separate berths.

3686. Mr. *Turner.*] You think that vessels, with petroleum on board should go into separate berths, where no other ships would disharge, perhaps?—I do not wish to be held down to details, but I do not see any practical difficulty in it.

3687. *Chairman.*] You see no practical difficulty whatever?—No; it is perfectly practicable to do it without interfering with trade.

3688. Mr. *Turner.*] Do you know how you can test it?—No.

3689. The evidence before the Committee is that you must test it in a way which would necessarily involve the use of fire?—Yes, of course; we have tried several experiments ourselves, and we had Dr. Baker Edwards to assist us.

3690. You see no practical difficulty in testing petroleum on the quay?—None whatever.

3691. What sort of officer would you have to test it; a policeman would not do, would he?—No, I hardly think that he would, unless we selected a superintendent and had him instructed, but that is mainly a question of detail.

3692. *Chairman.*] We have had it in evidence that it would not be at all difficult for a policeman of ordinary intelligence or a custom house officer to test all the petroleum that comes into the different ports?—Just so.

3693. Mr. *Turner.*] But you know that we are not allowed to use any fire on the dock quays except under the superintendence of a policeman?—The petroleum could perhaps be drawn off and taken to some proper place to be tested. I think that any dangerous article ought to be made to submit to some little difficulty. We were forced to isolate the warehouses, and put trade to some inconvenience in framing our bye-laws, and we had a good deal to contend with. I think it might be done without unduly interfering with trade. I should be glad if the Customs would undertake the duty though the police might do it. I am not quite sure that the ship ought not to be ordered to a particular dock to discharge.

3694. Mr. *Lusk.*] Even now, as a matter of fact, have we not custom-house officers to test every six or eight casks of other things, to see that there is no tobacco or brandy placed inside them?—Yes; very likely.

3695. *Chairman.*] With regard to the local Acts introduced since the year 1843, have those Acts had any effect in reducing the number of

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fires in Liverpool?—They have had an effect in reducing the premiums of insurance.

3696. I believe that the fires were so numerous before those Acts were passed that the insurance offices raised their premiums?—Yes.

3697. Have they reduced those premiums since that time?—Yes, gradually, I believe. The fires in Liverpool 25 years ago were so excessive that the Corporation was compelled to go to Parliament for a Fire Prevention Act.

3698. Can you inform the Committee the number of fires in Liverpool in the year 1866?—246, I think.

3699. Do you know what the number was about 10 years ago?—I do not remember the figures, but there is a list given by the head constable in his annual report.

3700. In 1857 there were 202 fires in Liverpool, and in 1866 there were 246, so that there has been a considerable increase?—Yes.

3701. But have you any estimate of the amount of property destroyed in those years?—No.

3702. With regard to fires, are you aware whether this increase in the number of fires has been in proportion to the increase of the value of the property insured?—That I cannot say.

3703. Do you think that it is in proportion to the increase of the number of houses in Liverpool?—That I do not know.

3704. Is it one of the duties of the watch committee to inquire into the causes of fire, or is it the duty of the police?—It is scarcely the duty of the watch committee; but if they consider that there is any suspicious circumstance connected with the fire, they direct the police to make the best inquiries they can; but that is scarcely ever attended with any satisfactory result, for the want of the power of compelling evidence on oath.

3705. I see, in the year 1856, that the causes of 54 fires were unknown, out of the 246?—Yes.

3706. There were 90 from accident, and 97 from carelessness?—Yes.

3707. I see no mention of suspicious fires?—I should think that it is a very loose description. The police call it accident or carelessness, but it is not a very reliable sub-division, I should say. There is no proper authority to inquire into the causes, and that is the great difficulty.

3708. Notwithstanding all this, and the time, trouble, and expense that you have been at in Liverpool to obtain proper protection for the prevention of the spreading of fire, you still find that there is something wanting?—I was a director of a fire company at one time, and I felt that we had to pay claims without the means of investigating them. As a member of the watch committee, I feel that there should be some power of inquiry into the causes of fires.

3709. You think that it would have a deterring effect?—Yes.

3710. Have you paid particular attention to the question into whose hands you would place the conducting of the inquiry?—I think that the police might make the preliminary inquiry.

3711. To whom would you propose that they should report if they found anything suspicious?—The question is whether you would have a special tribunal; the coroner has the power of inquiring into the causes of fires, but no power of obtaining fees, and therefore, practically, it becomes a dead letter.

3712. Mr. *Turner.*] But he has no power of compelling evidence?—I thought he had.

3713. Then do you think that it would be advisable to give the coroner that power?—Him or some other officer; but he seems ready made for the purpose.

3714. Is not the police court ready made too?—The stipendiary magistrates' duties day by day are so heavy, that they are fully occupied.

3715. How would it do to appoint a fire marshal for that purpose?—He would not have full employment, I think. I am now speaking of the borough of Liverpool only.

3716. He would not have sufficient to do, even in a place like Liverpool, you think?—I think not.

3717. Your preference is decidedly for the coroner then?—I merely thought of that because he is an officer already established who has plenty of time on his hands.

3718. How should he be paid?—We should have to take care that he did not make vexatious enquiries for the purpose of obtaining his fees, but a coroner can abuse his powers now where he is paid by fees in case of death. I have always thought that they are open to suspicion, and that they may abuse their powers.

3719. Are the coroners paid by fees?—Some are paid by fees, and some are paid by salaries.

3720. Do you think if the coroner was paid by a salary he might be lax?—He might not then do enough, he might be paid a certain sum fixed, and then in fees.

3721. Who do you think should pay him, the insurance companies?—No, I am very much against that.

3722. Why are you very much against that?—Because it is the duty of the community to protect themselves. We have the power to levy a fire rate for the whole town. A farthing in the pound answers that purpose. The expense of inquiry might be paid out of the fire rate.

3723. Mr. *Kinnaird.*] Are you aware that the coroners in London are paid by salary?—I have understood so, I think.

2724. And that is found to work exceedingly well?—I believe so; our coroner is paid by fees, and he makes 1,000 *l.* or 1,200 *l.* a year.

3725. *Chairman.*] You think that the coroner should be paid out of a fire rate?—Yes; I never could understand on what principle the insurance offices contribute to the maintenance of the fire brigade, because we put out all fires, whether insured or not, and do as much for the uninsured property as for the insured, and therefore the companies who contribute get nothing for their money.

3726. Had you any conversation with Major Greig on this question of an inquisition?—Yes. I do not think that he has any very fixed ideas about it; it is not peculiarly within his province.

3727. He agreed with you, I suppose, that some inquiry would be desirable?—Yes, I expressed that opinion to the council some years ago on behalf of the watch committee, because we found it extremely difficult to make progress in investigations even in suspicious cases.

3228. You think that the police should initiate the inquiry, and communicate with the coroner, and that the coroner should be paid out of the public funds?—Yes, we have a town clerk, who

is the prosecuting solicitor in Liverpool, and he has a deputy, who acts as prosecuting solicitor; that prosecuting solicitor might have the cases submitted to him and judge of the propriety of prosecuting them. I see no difficulty with regard to the machinery in Liverpool, but I cannot speak for the counties.

3729. Lord *R. Grosvenor.*] In fact, the officer before whom the first inquiry would be made would be the deputy town clerk in Liverpool?—I should say that the detective police should put themselves in communication with him, and trace out the cases, under his directions.

3730. But of course there would be an investigation into every fire, whether suspicious or not?—I rather speak of suspicious fires, but I do not see much harm in having an inquiry into the cause of every fire, just as in the case of shipwrecks.

3731. Otherwise it would be invidious, would it not?—Yes if it were general that invidiousness would be removed, of course.

3732. I see, in Major Greig's report upon the organization and duties of the Liverpool Fire Brigade, "He will also make out, for the information of the head constable, a full report of the particulars of the fire, its origin, estimated amount of damage, whether the property be insured or not, stating any and what suspicious circumstances are attending it," and he does so?—Yes.

3733. But he cannot take evidence on oath?—No.

3734. Would you have the first inquiry conducted privately or publicly?—I think if the police, under the direction of the prosecuting solicitor, could get a good *primâ facie* case, I should make it public at once, just the same as any ordinary case. If the detective police made a report to the prosecuting solicitor he should say whether there was a case to go on with or not.

3735. But a fire that occurred at night would be reported the next morning to the proper officer, whoever he might be?—Yes.

3736. But by that time there would be very little visible evidence remaining on the spot, and you would have the inquiry adjourned for a week, I suppose, in the case of a suspicious fire?—I think, upon a little consideration, there would be no difficulty in arranging the system, but I am quite sure that an inquiry, either into the cause of all fires or into suspicious fires, would do a great deal of good. At present the insurance companies pay, and nobody hears any more about it. The insurance companies do not like to pry too much into the cause of fires, in case they should lose their good name as payers, and therefore the public gain and the shareholders lose.

3737. Mr. *Turner.*] Before you arrived at the conclusion whether a case was suspicious or not, is it your opinion that the case should be private?—Yes; I think that if the prosecuting solicitor thought there was no case it should be abandoned, and that it should be private up to that point. I do not feel myself quite a judge of the process, but having that officer at Liverpool, it might be managed very easily, I think.

3738. Lord *R. Grosvenor.*] It would be necessary to have an inquiry into the cause of every fire to prevent anything invidious, would it not?—Yes; and then, if it were self-evident, it might drop immediately.

3739. Mr. *Lusk.*] Your official position leads you to direct your attention more to the prevention of fires than to the causes of them?—Yes; we are a fire-prevention committee, and we do what we can to prevent the occurrence of fires, as in the case of the Gunpowder Act and the Petroleum Act.

3740. With regard to buildings, keeping in mind that we want to legislate for the whole country, can you suggest anything new with regard to the buildings throughout the country, as to the method of constructing them?—We have fire-proof warehouses in Liverpool; that is to say, they are built under the provisions of the Fire Prevention Act, and they are required to be licensed by the Watch Committee.

3741. Do you think there is any improvement that we could introduce into the Building Act for the whole country?—I am not sufficiently practical for that; we have a building surveyor in Liverpool, who is our adviser, but we took the trouble to go to Parliament expressly for that point of timber ends.

3742. With regard to a better supply of water for the whole country, is there anything that you could suggest?—Every town should be compelled to have a supply of water. We have gone to an enormous expense in that matter. Some time ago the town council laid a rate of 6*d.* in the pound on all property towards the payment of the cost of the water; previously that water was not paid for by warehouses or unoccupied property, but simply by those who used the water. The council felt that was unjust, because an abundance of water was necessary, on account of fires. I strongly approved of that rate; 3*d.* in the pound being paid by the landlord and 3*d.* by the tenant; that produces about 40,000*l.* a year. A penny in the pound produces 7,000*l.* in Liverpool. After that, the occupiers of houses and the consumers have to pay so much for domestic supply, but that the recognised principle of a supply of water being necessary for extinguishing fires (it seems to me a very correct principle) over and above what is necessary for domestic and other consumption.

3743. Mr. *Lanyon.*] It is usual in other boroughs to have a fire-rate, is it not?—Our fire-rate is ½*d.* in the pound.

3744. Mr. *Lusk.*] Do you think that if we had a general Act we should include all property under such a water-rate?—Yes.

3745. In some places water is supplied by meter, is it not?—It is so supplied in Liverpool to the manufactories.

3746. A large warehouse consuming by meter would consume very much water, would it not?—Yes. Before that time a warehouse escaped altogether, whereas it was necessary to have an immense supply of water to extinguish fires in those very warehouses. We now make the property pay as property; and then comes the question of householders who pay so much on the rent, and the manufacturers who pay by meter.

3747. Lord *R. Grosvenor.*] The water supply belongs to the corporation, does it not?—Yes.

3748. Mr. *Lusk.*] Have you a fire brigade in Liverpool?—Yes, the fire brigade is part of the ordinary police.

3749. Do you think that every town should be compelled to have a fire brigade?—Yes.

3750. You think that every town should have fire engines?—Yes; unless the gravitation is sufficient, as ours is generally; we have one steam engine, which is all that we require at present.

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3751. You mean every town of considerable size should have a fire engine?—I mean every town with a few thousands of inhabitants, every town ought to have some provision for extinguishing fires. The system in Liverpool of having the fire brigade as part of the ordinary police, works uncommonly well, because the whole of the police are more or less interested, although we have 150 men who are specially fire brigade men.

3752. With regard to the proposed investigation, do you think first of all that all fires in every house ought to be examined into?—I have stated that I thought it would be better; to prevent invidiousness.

3753. That is admitting the principle that every fire occurring in a house is an offence against the law, the same as fires in chimneys in London?—I do not know; because a fire might be quite accidental, whereas a chimney's catching fire implies carelessness.

3754. Do you not think that every fire should be an offence subject to the payment of a small fine?—No, I would rather begin the other way with a preliminary inquiry, and if that did not justify a prosecution, I would let it drop

3755. Who ought to make that preliminary inquiry?—The police, I think, under the prosecuting solicitor in Liverpool.

3756. But taking the whole country, that makes the police a judge whether there should be an inquiry or not, does not it?—I do not exactly see what could be done in counties; there is no difficulty in corporate towns.

3757. If a man fires a pistol in the street he is liable to be brought up before the magistrate, and he may be fined 10*s.* or 6*d.*, or he may be committed for trial?—Yes.

3758. Could you lay down any basis whereby we might bring every man before a magistrate in case of fire, to be fined 6*d.*, or 10*s.*, or committed for trial?—If my house took fire by accident, it would be rather disagreeable to be taken before a magistrate, even if I was acquitted.

3759. If your horse smashed my carriage, is it hard that you should pay for it?—No, I have no right to have a vicious horse; but here I am wholly innocent.

3760. But suppose that your servant through carelessness burns down my house, why should I have to stand the loss of that?—That is rather a different case, no doubt; but what you mean, as I understand you, is that a fire from whatever cause should be considered an offence, and that a man should go before a magistrate and clear himself. I would rather take the course which I suggested of a preliminary inquiry.

3761. In that case the policeman would be the judge whether the inquiry should go on or not?—In towns there would be no difficulty, but in counties I do not quite see the machinery that would be adopted.

3762. *Chairman.*] Would you have the town clerk to go upon the spot to inquire into the cause of the fire?—No, I would let the police do it.

3763. And any suspicious case he would report to the town clerk?—Yes. The town clerk does something of that kind now in Liverpool in case of Sunday trading in a public-house. The police submit the evidence to him, and he says, perhaps, "There is no evidence, and you had better not go on with it."

3764. Lord *R. Grosvenor.*] You are speaking of a case where the police and firemen are the same body?—Yes, but that does not matter, I think. The police are officers of justice, and that is enough.

3765. Mr. *Lush.*] In a doubtful case, before whom would you have the investigation made?—I thought the coroner seemed a ready-made officer.

3766. Is not the police magistrate much more ready-made to hand?—I do not see much difference, except that in our case we should have to get another police magistrate.

3767. Does not the coroner require a jury?—Yes.

3768. Would not that make the tribunal expensive?—Perhaps it would.

3769. In all the serious cases that you have referred to, how could the coroner do it with any reasonable regard to expense?—I cannot exactly prescribe the working of the thing.

3770. Are not the magistrates more accustomed to look into crime than any other class of men?—No doubt.

3771. And do not the police generally have to bring all such cases before them?—No doubt.

3772. Would not the magistrates be the proper parties to make those inquiries?—I have no choice; it is a matter of detail; but I am very strongly of opinion that an inquiry would be desirable; and since I came here to-day I am rather convinced that it would be better to have some inquiry into all fires.

3773. In the case of a prosecutor before the magistrates, after a preliminary investigation, if the person should be committed for trial, should the magistrate bind over anyone to prosecute, or would you have the public prosecute?—I am rather in favour of the public prosecuting, because it is for the public good that we want these inquiries; on the same principle that I am in favour of the community paying for the fire appliances instead of asking the insurance companies.

3774. You would have a public prosecutor?—Something of that kind.

3775. You think that a number of fires occur from cotton being stolen, and the men setting fire to the place, to hide the theft?—Yes.

3776. Do you know that when a trade is in a bad condition more fires occur?—I do not think that that applies, for the reason I have given; because you are only paid for the value of the commodity at the time it is burnt.

3777. But taking other articles?—Seeing that the companies may replace the article, you are no better off.

3778. It has been given in evidence as a fact, that the ordinary number of cotton fires is one or two in every year, and that last year, when cotton fell so much, there were 13 fires; is not that so?—I do not think that that argument applies, because it is no use burning your cotton. The facts are against the theory; if you could get the insured value, it would be a different thing

3779. I understand that perfectly well; but how do you account for the fact, that when cotton is dear there are no fires, and when it gets cheap we have 13 fires?—If that is the case, I think it must be accidental.

3780. Mr. *Read.*] When property is unoccupied at Liverpool, I suppose the owner of the property

property pays the whole of that 6 *d.* water-rate?—No, I think not; because it is expressly mentioned in the Act, that 3 *d.* is to be paid by the landlord and 3 *d.* by the tenant, so that in the event of there being no tenant, I think the landlord gets off for 3 *d.*

3781. The investigation by the coroner does not necessarily entail a jury, does it; a coroner could go and investigate the cause of a man's death, and if he were sure of the cause could give his certificate?—My impression was that he always had a jury.

3782. You think that the coroner would be the best officer in the country?—Yes, he being a ready-made officer.

3783. Mr. *Lanyon.*] With regard to the inspection of warehouses and the classification of goods, is the system adopted in Liverpool efficient?—Yes, I think so; the Fire Prevention Act has worked very well.

3784. But are your rules observed, because I think we have evidence before us that it was almost a dead letter?—The police do as well as they can, but of course there is a vast amount of trade.

3785. Have you anything to suggest to the Committee that would make the classification in respect of goods more effective?—I think not without being inquisitorial or interfering with the freedom of trade. I think practically the police have not given minute attention to that subject; it does not seem to be the business of anyone in particular.

3786. Do you think it would be desirable that a proper inspection should exist with regard to the classification of goods?—Policemen may make themselves rather disagreeable, and the inspection must be done with some delicacy; the police would report if they saw saltpetre going in, but it is not very minutely done; it is amongst their general duties. Your question points to a special officer, and I think we could have a man in plain clothes.

3787. You would recommend that some person should be appointed to investigate those matters?—I think that that would fill up a want. I am rather inclined to admit that that particular duty has not been attended to. The police can do it better than anybody else, and it should be done by a man in plain clothes; but I will admit that it is quite possible in Liverpool that goods may be placed in the wrong places, contrary to the Act.

3788. But the question is whether the fire insurance companies should do it?—I think that the fire insurance companies should do it, because it would tend to make the police unpopular; it would be too much like espionage.

3789. Mr. *Kinnaird.*] I think by your evidence, you imply, so far as Liverpool is concerned, to recommend that the coroner should be the person to make the inquiry?—I am not particularly wedded to that; a police magistrate is perhaps quite as competent, but we should have to get another in Liverpool, because his present duty is quite enough.

3790. Mr. *Horsfall.*] And more than enough?—And more than enough; and we have to pay them.

3791. Mr. *Kinnaird.*] Would there be any difficulty in settling by a short Act, that the coroner should be paid a fixed sum for the investigation of fires in addition to his other duties?—Yes, partly by a fixed sum, and partly by the result of his labours; a salary leads to under doing, and the payment by fees to over doing.

3792. Mr. *Horsfall.*] Do you know what is the premium on uncertified warehouses in Liverpool?—No, not at this moment.

3793. I ask you, that with regard to some evidence that was given by Major Greig; in the year 1843, the premium was 35 *s.*, and in 1851 it was 12 *s.*; do you know whether that was the result of the efforts which had been made to prevent fires in Liverpool, or whether it was the result of competition between the companies?—Both, I think; but I have no doubt that after the frequent fires which took place 25 years ago, the companies got panic-struck, and raised their rates unduly.

3794. *Chairman.*] Is there anything which you wish to add to your evidence?—No, nothing, I think.

Monday, 27th May 1867.

MEMBERS PRESENT:

Lord Richard Grosvenor.	Mr. M'Lagan.
Mr. Kinnaird.	Mr. Miller.
Mr. Laird.	Mr. Read.
Mr. Lanyon.	Mr. Turner.
Mr. Lusk.	Mr. Whitmore.

PETER M'LAGAN, Esq., IN THE CHAIR.

Sir THOMAS HENRY, called in; and Examined.

Sir *T. Henry.* 27 May 1867.

3795. *Chairman.*] YOU are the Chief Magistrate of the Police Courts of the Metropolis?—I am.

3796. How long have you held that office?—I have been three years Chief Magistrate and 27 years Magistrate.

3797. Are fires in the metropolis ever brought under the notice of the magistrates in the Police Courts?—All that are supposed to be felonious are, and also fires in chimneys where penalties are imposed under the old Building Act, or within the last two years under the Fire Brigade Act.

3798. Under which the occupier of every house in which there is a fire in a chimney must appear before a magistrate?—Yes; he is summoned at the instance of the Fire Brigade, or rather of the Board of Works.

3799. There is a penalty attached, is there not?—There is a penalty of 20 *s.* Formerly there was a reward under the old Building Act to each fireman, and to the turncock.

3800. Is that penalty always exacted?—Not the full penalty. The magistrate has power to mitigate.

3801. But it is always the same penalty, I suppose?—It varies in amount. Under the old system there was a reward to the first engine that arrived not exceeding 30 *s.*, and to the second engine a reward of 20 *s.*, and a reward to the turncock of 10 *s.* for letting on the water. That, however, is all abolished, and the Fire Brigade Act of 1865 has substituted a penalty of 20 *s.*

3802. The police report the cases, I suppose, of chimneys on fire?—The police always make a report to the Commissioner of Police, but they do not take out summonses under the Fire Brigade Act; they are taken out by the solicitor to the Metropolitan Board of Works.

3803. Have any cases of arson been brought under your notice?—Yes.

3804. Who gives the charge?—It is competent to any one to give the charge; the insurance company, or any other person, just as in any other prosecution; any one may become a prosecutor.

3805. In those cases that come before you, the evidence is pretty strong of the guilt of the party, I presume?—The best answer would be to give you the number of cases that occurred during the year 1866; there were 15 persons charged with arson last year, and of those 12 were committed to take their trial.

3806. By whom were they charged?—The returns do not give the names of the prosecutors; no doubt in general the prosecutions were either by insurance companies or by the landlords, or persons having an interest in the property.

3807. Has there been any increase in the number of incendiary fires brought before you of late years?—It appears to me to have rather decreased; in the year 1857 I find that there were 15 cases sent for trial, whereas in last year there were only 12.

3808. In those 15 cases that were committed for trial, were there as many convictions?—Last year there were 12 cases committed for trial, and there were six persons found guilty.

3809. But you cannot give us the number for the year 1857, I suppose?—Not how many were acquitted, or how many were convicted. I have not that return with me, but it can be procured.

3810. Do you think that that decrease in the number of cases brought before you arises more from the negligence on the part of the insurance companies, or really from there being fewer cases of incendiarism?—I should say that there was a greater apprehension of being found out. All the people in London know very well that in every case of fire the Fire Brigade are sure to be in attendance very soon, and they are very competent to discover the causes of a fire; they make a report; and the police are also in attendance, and they are very ready to act, if necessary.

3811. It has been given in evidence by numerous witnesses that there has been a great increase in the number of fires, and also in the number of incendiary fires; do you agree with that?—I can give you those that were prosecuted; with regard to the number of fires that are supposed to have been wilful, that must be a matter of opinion. Now, it depends on what point of view you look at the question from; if you look at it from an insurance point of view, you then suspect that a great many were incendiary, whereas, in fact, they were probably accidental; but that must be a matter of opinion; there are no statistics that could enable anyone to say how many were wilful, and how many were accidental.

3812. But an insurance officer could speak with regard to the number of suspicious fires, could he not?—It depends on what is suspicion; very small circumstances will raise a suspicion in some minds which would be quite insufficient to cause the slightest suspicion in a disinterested mind.

3813. We find from the evidence given by Mr. Bolt,

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Bolt, the managing director of the Liverpool and London Globe Insurance Company, that in the year 1852, there were 34½ per cent. of the fires in London whose causes were suspicious, or doubtful, or unaccounted for; and in the year 1866 there were 52½ per cent.?—It is very easy to give those figures, but on what data are they founded? It can only be matter of opinion.

3814. But suppose you simply call them "unknown," or untraced fires; we have had evidence that there has been a very large per-centage in the number of "unknown" fires; can you account for that?—I was not prepared for the fact in the first place, and in the second place I should doubt its being the fact in the metropolitan district. Mr. Braidwood's return would probably show that.

3815. Let me direct your attention to the report of the Metropolitan Fire Brigade; we find from that report that in the year 1852 there were 33¼ per cent. of untraced fires in proportion to the number of fires; and in the year 1866 there were 44 per cent. of untraced causes of fire in proportion to the number of fires; can you give the Committee any reason why there should be this very large proportion of increase?—No, I am not prepared to do that; probably the new Fire Brigade may discover more fires.

3816. But the fact is that there are more unknown causes of fire than there used to be, is it not?—But I dare say there were many fires that were not accounted for by the old brigade; small fires that were soon put out, and not included in the returns at all; whereas now the smallest fire is reported.

3817. But this report only extends to the year 1852, when Mr. Braidwood was manager of the Fire Brigade?—But still his staff was very insufficient until the Act of 1865 was passed.

3818. But your opinion is, that there has been no increase in the number of incendiary fires of late years?—Not in the metropolitan district. I think, considering how much the metropolis has increased, the returns that I have given you with regard to the number of cases last year, and ten years ago, go to show that that number has really decreased.

3819. But we have it in evidence that there has been a large proportionate increase in the number of fires when compared with the population?—Not of malicious fires.

3820. No, of ordinary fires?—But I am referring only to malicious fires.

3821. Do you think that the insurance companies are as vigilant now in prosecuting suspicious cases as they once were?—I should say that they were never very vigilant, so far as I can recollect; and I do not think they are more so now. I think they are not anxious to prosecute; on the contrary, they are too unwilling to take any notice of a fire supposed to be malicious; it causes unpopularity with regard to the office; they are apprehensive that the business might be interfered with if they prosecuted persons for incendiary fires, or if they were to resist claims.

3822. Then if there has been any laxity in prosecution, you would say that that arises very much from the competition in the insurance business?—No doubt; but that might be cured if they all united, as the bankers of London do; they might have an association, with a solicitor who would act for all, and he might either prosecute or he might resist claims in the name of that association, and so avoid bringing any odium on any particular office.

3823. But do you think that it is fair that the odium of prosecuting for a public crime should be laid on a private commercial company?—That is a very large question, whether the State ought to incur the expense of prosecution for every crime, or whether those who have a particular interest should be engaged in it; in cases of forgery, if you left it wholly to the State, a great number of the cases would not be taken up; they would not come to the knowledge of the police or the magistrates if the bankers did not employ a solicitor to look after the cases; they would go unpunished; as fires take place internally, the police cannot discover what has been done inside the house.

3824. But all the property is not insured in which fires occur?—But if house No. 1 is not insured, house No. 2 probably is, and then the insurance office has almost the same interest.

3825. But if house No. 2, which is insured, takes fire, and house No. 1 is burnt down, which is not insured, you would then have the insurance companies incurring expense and odium for prosecuting in a case in which they have no interest whatever?—They need not take it up; it would not be compulsory upon them to take up any prosecution.

3826. Have you found where insurance companies have prosecuted in suspicious cases, that the jury are biassed in one way or the other, for or against the insurance companies, or otherwise?—No, I think not; it is a very serious crime, and the punishment for it is very severe, and of course juries are reluctant to find persons guilty in cases of that nature, unless the evidence is very conclusive; but I think there is a bias in civil actions, and that juries may lean to the side of a poor plaintiff against a rich company, so that if the evidence be doubtful, they find a verdict for the plaintiff rather than for the defendant. In criminal cases I do not think there is any bias on the part of juries, but there is a very proper caution not to find persons guilty unless the evidence is conclusive.

3827. Do you not think that the number of cases in which insurance companies have been unsuccessful in prosecuting, has had some effect in deterring them from prosecuting more than they would do otherwise; you mentioned that there were only six cases in which the persons were convicted in the year 1866, out of 12 cases committed for trial?—Yes, that was so.

3828. Do you not think that the want of success may deter the companies from prosecuting more frequently?—That ought not to operate, I think.

3829. From what you state you do not consider an inquiry into the origin of fires would have an effect in reducing the number of them?—It depends on what you mean by the word "inquiry;" there is at present an inquiry in every case, because the Fire Brigade now institute a sort of inquiry, and they make a report: but if you mean an investigation, where witnesses are to be examined and cross-examined on oath, then I say that is a matter not to be adopted, unless there is a *primâ facie* ground of suspicion, because it would be a great hardship, and a very vexatious proceeding to subject householders to a public investigation at the police court in cases of merely doubtful fires. Take the case of fires in chimneys: I have had before me a great many persons, summoned under the old Building Act for neglect in not having their chimneys swept, and certainly

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those cases gave a great deal of annoyance to the inhabitants; they were often summoned on very frivolous grounds; it was very well known that some of the firemen had boys stationed about the streets, who used to get 1*s.* for going and giving information if they saw a spark coming out of a chimney; all the engines were sent out, and sent to the house, and when they got there there was nothing to be done, yet they put in their claim for reward, and the parties were summoned before me and other magistrates, and a great deal of annoyance was given, there being no occasion for it. I have no doubt, if an investigation were instituted in every case that might be deemed a suspicious fire by the insurance offices, it would frequently be a very vexatious proceeding.

3830. Do you think that it would be a vexatious proceeding to inquire even into every case of suspicious fire?—I must say again that that depends on who is to deem it suspicious; if you leave it to the secretaries of insurance companies they would be apt to deem a great many fires suspicious, when I should not think there would be sufficient ground for arriving at that opinion.

3831. But supposing that a fire took place, do you think that the police or the Fire Brigade should investigate all the circumstances connected with that fire?—The Fire Brigade would be more competent to do that now.

3832. Suppose they found something suspicious, to whom should they report it?—They now report to the Metropolitan Board of Works, and I believe to all the insurance companies that subscribe to the fund.

3833. You think it is the duty of the insurance offices after that, if they find anything suspicious, to take up the case?—Yes; or they should place it in the hands of a solicitor, who would act for them all, and desire him to prosecute. They could resist the claim, and leave the party to bring his action, putting any plea that they please on the record, that the fire was not accidental, for example; that would throw on the householder the onus of proving his case.

3834. The insurance companies do that now, do they not?—They very seldom do; there are very few actions defended by insurance companies, although they suspect so many fires to be wilful. The cause lists at Westminster will show that; and it is well known at the Bar that it arises from that unwillingness to incur unpopularity, and so prevent persons insuring at their respective offices.

3835. But would it not be for the public service that there should be some one to prosecute in suspicious cases, and incendiary fires, where the insurance companies did not like to incur the odium and the expense of doing it?—A public prosecutor would be a useful officer in all criminal matters, no doubt, but no more in that than in other cases; and I think even less so, because where persons have a direct interest in the matter they are more likely to prosecute vigorously, and take pains in getting up the evidence.

3836. Mr. *Kinnaird.*] You have compared the bankers prosecuting forgery cases with insurance companies prosecuting for incendiary fires?—Yes, I took the liberty of doing that.

3837. But can the cases be said to be quite analogous?—They seem to me very much so.

3838. But the whole sympathy of the public is against a forger?—And against a person who commits arson.

3839. But in trials where the public mind has never doubted that there was malicious fire-raising, there has been no conviction?—That is because it is much more difficult to prove malicious fire-raising than a forgery.

3840. No doubt that is so; but do you not think that a jury being taken, as they are, from the body of the people, it would be natural in them, they being perhaps all insurers, to lean towards compelling the office to pay?—I do not think that would influence them in a criminal prosecution. I think it would be, perhaps, a disadvantage in a civil action.

3841. It is your belief, is it not, that a great many of the fires without known causes are wilful fires?—That is not my belief with regard to the metropolis. I dare say that that is the case in the agricultural districts, especially with regard to the firing of stacks; but I do not think that that is the case with regard to the houses in London, because a person can hardly do anything in a house which is improper without being found out; the persons who would be likely to commit such a crime are generally persons in the lower ranks of life; they live in the presence of a great many others in the same house, and any attempt to set fire to the house would be discovered by the adjoining tenant, and the persons in the same house. I think there is a very great apprehension of being discovered; besides those persons are not insured in general; where a fire of that kind takes place, that has generally been from some malice towards others.

3842. We have had it in evidence that when any particular business is not very prosperous a great many fires take place in that particular branch of trade?—Yes, I have heard so, and I dare say that is to some extent the fact.

3843. But even when there is all but positive proof, the difficulty is in proving such a thing?—Yes; but having a public prosecutor would not remove that difficulty.

3844. But might there not be a special branch of the police whose business it would be to attend all fires, and examine into their causes?—They do that now; but the difficulty is to get persons to give evidence that would at all criminate themselves. If there were to be an investigation in any case of a suspicious fire, suppose the magistrate were directed by any Act of Parliament to institute an investigation of that kind, he would have the greatest difficulty in knowing who were the persons to be summoned, and then what questions were to be asked; every person must be cautioned that he is not bound to answer any question that would criminate himself. I think I foresee that any investigation of that kind would practically be of no use.

3845. You might give the power to take evidence on oath?—Yes; but still you would not have the opportunity of getting the facts that you wanted.

3846. From your experience you think that there is a very great difficulty in arriving at the causes of fires?—I have no doubt whatever about it. It is very well known to all lawyers that there is scarcely any offence so difficult to be proved as arson.

3847. But you would think it desirable that there should be a public investigation of the causes of fires, perhaps?—If there is to be a public investigation, I say there ought to be an accuser.

3848. A prosecutor?—Yes; the magistrates ought

ought not to be put in motion unless there is some person who will take the responsibility of saying, "I prefer this complaint."

3849. And you have no objection to such a person being a public officer?—Not the slightest objection; but I say again that I do not think he would perform that duty as effectually as a solicitor appointed for the express purpose by an association, because he would not have the same interest. We find that in particular classes of offences, such as cruelty to animals, the society takes it under its protection, and they employ a solicitor to have those cases investigated; and there is no doubt that the society does good, because they have a special object which they follow out.

3850. Has the difficulty never occurred to you that every day new offices have been springing up, and that the moment the older offices combined they would have new competitors who would decline to be bound by any such arrangement?—It must be a matter for their consideration. I should have thought it would be the interest of every company to join the association.

3851. But the competition is so great that it has been found practically impossible?— Then I would leave them to their own remedy; let those offices who refuse to join the association take up the prosecution themselves.

3852. Lord *Richard Grosvenor.*] We have it in evidence that not only do fires occur when particular trades are depressed, but also that there are gangs of persons whose business it is to effect fraudulent insurances, and then commit arson?—No doubt there is a very strong suspicion that that is the case, and I dare say that is probably a well-founded suspicion; but I do not think that that is very extensive.

3853. That only proves to you that it is the opinion of insurance companies and others that such fires have been on the increase very much in London?—The insurance offices knowing that fact continue to take risks from those very persons, and when a fire occurs speedily afterwards, they do not resist the payment.

3854. You very justly blame the insurance offices for a good deal of those incendiary fires?—I do not want to blame the insurance offices, but when they complain, and say that they want the Government to take up this matter on their behalf, I say that they have very much brought it upon themselves.

3855. And that in your opinion is really one reason why the insurance offices will not combine together to form an association like the Bankers' Association, because they say that they cannot control each other in taking risks?—Then all I can say is, that those who refuse ought to be left to prosecute for themselves.

3856. Mr. *Lusk.*] You know that a great many fires take place in London?—No doubt.

3857. But you say that the cause is a matter of opinion?—Yes.

3858. There is no doubt that is perfectly true, but do you think that the companies are disinclined to prosecute, or that they have not the necessary facts before them?—I think both; they are disinclined even if they had the grounds; but I think also that they have generally not the grounds.

3859. Do you mean to say you think that there has been no increase of suspicious fires of late years?—So far as they are brought under the notice of the magistrates there is not, and I have already given my reason for saying that.

3860. But does that refer to the metropolis, or the country generally?—To the metropolis only; it is the Metropolitan Police Return; but the returns for the whole of the country are prepared at the Home Office, and of course the Committee could obtain them; I should say, generally, from my own recollection of what used to occur when I was on circuit, that there has not been any great increase.

3861. Suppose we were to legislate on the principle that prevention is better than cure, do you think that we could make any new law a little more stringent than the present?—In what respects would you make it more stringent; the punishment for the crime of arson is very severe, and there is the same opportunity of prosecuting for it that there is for any other crime; and there is this additional advantage, that it may be resisted in a civil action, in which you throw the onus of proof on the householder, and the insurance company merely defend and ask him to prove his case.

3862. Suppose you were inclined to recommend legislation on the subject, and to make a more stringent Act of Parliament, who do you think should take the first steps?—I think the office defrauded should take the first steps.

3863. But suppose I do not want as a legislator to know anything about the offices, but to take the fires *per se*?—I could not recommend that there should be a public prosecutor for cases of arson and not for any other crime.

3864. Suppose that we are recommending legislation on the subject, and that we are convinced a great many fires occur that ought not to occur, who do you think should take the first step in dealing with suspicious cases?—You object to the insurance companies taking the first step.

3865. I do not wish to know those offices at all in the matter?—The first step with a view to a criminal prosecution should be taken by some person who has a knowledge of the criminal law. It would hardly be sufficient that an inspector of police or the chief officer of a fire brigade should investigate with a view to such a prosecution. In order to prepare the case for prosecution there should be some person who would be competent to examine witnesses; and if it were necessary to have a public prosecutor for this particular class of offence, it should be some barrister or solicitor appointed for that purpose; but I by no means recommend that, for I am of opinion that arson should not be put on a different footing from any other criminal offence.

3866. Lord *Richard Grosvenor.*] In the case of a murder, when the body is found, the police of the district are to a certain extent prosecutors, are they not?—The police would prosecute in a case of arson if they were prepared to show that any one had caused the fire maliciously; they are at this moment ready in any case in which they have reasonable ground to suspect that, to bring the person before a magistrate.

3867. Mr. *Lusk.*] In the case of any offence against the law, who are the parties to apply to in order to obtain redress?—Take an ordinary case of stealing goods; the criminal law allows any person to give the thief into custody without a warrant in all cases of felony; but if a person who wishes to give another into custody is doubtful as to whether he has proof or not, he then has

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has an opportunity of applying to a magistrate and asking that magistrate to grant him a warrant, and then the onus is thrown on the magistrate, who inquires whether the evidence is sufficient on which to found a warrant; if it be, the person is apprehended, and that can be done in the case of arson as well as in the case of stealing goods.

3868. But, just as in a case of assault and in similar cases, there is many a man who is not a guilty person but who is yet very blameable, so we might make every case of fire an offence without making it a crime, might we not?—I think it would be a very great hardship to make a case of accidental fire an offence.

3869. Suppose a man set fire to his neighbour's house through the carelessness of his servant?—Then the man's neighbour can bring an action against him.

3870. For burning your house down?—Certainly, if it arose from his negligence.

3871. But you would have a difficulty in the proof, would you not?—No doubt; there is a difficulty in the proof of every matter of the kind.

3872. You would not think it advisable to make every case of fire an offence for the police to take cognizance of?—Do you mean an accidental fire?

3873. That would have to be inquired into?—I should object to have a kind of bill of discovery filed that compelled a person in whose house there happened to be a fire, to come forward and allow himself individually, and his servants, to be examined. I think it would be a most vexatious proceeding, and a sort of inquisition which would not be tolerated.

3874. Do you object at present to people who set fire to chimneys being brought before the magistrates?—That was a totally different proceeding under the old Building Act; that clause in the Act was passed for the purpose of encouraging people to have their chimneys swept.

3875. But I refer to the present Act?—That clause is now on its trial, and it is very doubtful indeed whether it will be found to be a useful clause. I may mention here, that when that Act of Parliament was passed, and for some time afterwards, I had some experience of that clause, because the Metropolitan Board of Works proceeded for those penalties in my court, but recently they have gone before the county magistrates to have those cases heard, therefore I do not know how the clause is working.

3876. Suppose we were going to recommend legislation in this matter, do you think that the person before whom the cases should come, should be the police magistrate or the coroner, for the purpose of obtaining speedy justice?—I do not wish to speak of any other tribunal but my own; to have a coroner sitting with a jury of 12 men at a public-house, which is a place where they are often obliged to meet, would not, in my opinion, be a desirable proceeding. It has been decided by the Court of Queen's Bench that the coroner has no power to hear such cases at present; the coroners thought, until the year 1860, that they had that power, and some of them exercised it. But if you ask me whether I think that jurisdiction ought to be given to the coroners, I must say I think it ought not.

3877. A man might be brought before a magistrate or a coroner and fined 5 *s.*, 20 *s.*, or 5 *l.*, or an interested person might take proceedings, and be bound over to prosecute?—If the Legislature think fit to make it an offence, then I think that the metropolitan police court would be the best place at which to have those cases adjudicated within the metropolis.

3878. But whenever anything serious occurred, the parties would be bound over to prosecute?—Yes.

3879. A graduated fine might be the alternative?—Yes, for negligence; but I should very much object to make mere negligence a criminal offence, or even an offence liable to penalties.

3880. But to take the initiative step, do you think that the police should be the parties, and that then they should bring it before the police magistrates?—You mean the police inspectors.

3881. Yes?—I should not like to leave to them the discretion of summoning a householder for an act of carelessness or, it might be, mere accident.

3882. Can a coroner commit without a jury?—No.

3883. And where the magistrate thought it was a serious case, you would recommend that those who were interested should be bound over to prosecute?—They would be, in fact, bound to prosecute. There is no occasion for legislation on that subject, because, as the law stands, that is the case now; the magistrate would bind over any person that he thought ought to prosecute.

3884. Mr. *Miller.*] I think you have stated that there existed at present more apprehension of detection than there formerly did with regard to raising fire?—Yes.

3885. To what do you ascribe that fear?—To the greater vigilance of the police, not only in the metropolis but all over the country, and also now to the new Fire Brigade. The police become every year more vigilant.

3886. You think that they are always improving?—I think so.

3887. Is the Fire Brigade under the present system so superior that the people have more apprehension of detection?—Yes; it is much more numerous, and established on a better footing; and they are more likely to discover the cause of every fire than they were when they had a small staff.

3888. How many more stations have they now than they had formerly?—I cannot give you the exact number. I believe that they are increasing them; they have the power to increase them, at all events, to any extent the Board of Works think fit.

3889. Have they sufficient money without limit?—No, not without limit; the Act of Parliament defines the amount; there is a sum allowed by the Act of Parliament, there is a sum out of the rates, and there is also a sum subscribed by the insurance companies. Captain Shaw will give you better information on that point than I can.

3890. Mr. *Lanyon.*] The tendency of your evidence is to the effect that the great difficulty with regard to an investigation is due to the reticence of the insurance companies?—Yes, that is one of the difficulties.

3891. And at the same time you do not seem to approve of a public prosecutor being appointed?—I do not approve of a public prosecutor being appointed for one particular offence.

3892. That being one of the causes, how would you get over the difficulty unless by having a public investigation, or by appointing a public prosecutor?—There is no difficulty to be got over, because

because at this moment any insurance company that thinks fit may either institute a prosecution by applying to a magistrate to know whether the grounds are sufficient to justify him in granting a warrant, or if they do not like to take criminal proceedings they may resist the payment of the claim.

3893. But if the reticence of the insurance companies is the chief cause of the want of an investigation at the present time, and that investigation is admitted to be necessary, how can you get over the difficulty of creating the necessary investigation unless by means of a public prosecutor?—I do not see what benefit a public prosecutor could be; he would have no means of producing facts before us, supposing there were a public prosecutor at this moment.

3894. Mr. *Turner.*] The law might give him that power, might it not?—Yes; but the difficulty would be in finding out the facts.

3895. But if a man has no power of investigation, how can he get at the facts?—Any one has now the power to get at the facts if he can.

3896. Mr. *Lanyon.*] The coroner has power to investigate into the cause of a death if necessary?—Yes, and we are quite ready to investigate the cause of fire.

3897. Is there not this peculiarity with regard to arson; that in all other crimes there is no sympathy with the crime, and there is no difficulty in getting up a prosecution; but in a case of fire the very parties interested are the very parties who will not consent to open the inquiry?—I say that the insurance offices ought to be made to do that, or that they ought to be left to their own remedy.

3898. Mr. *Turner.*] What legal power have they to do that; have they the power to make anybody they please give evidence?—They have the power to go to a magistrate to know whether the evidence they can produce would justify the issue of a warrant for the purpose of holding an investigation.

3899. But you know that there may be many cases of suspicion in which a man has not evidence sufficient for that purpose, but that if he had power to compel evidence, he might ascertain whether his suspicions were well founded or not?—By filing a bill of discovery, as it were?

3900. No; if an officer was appointed, whether it was a police magistrate or a fire marshal, or a coroner, with legal powers to summon anyone before him and make him give evidence in case of a fire, would not that give him power to ascertain whether a crime or fraud had been committed?—It would be very difficult in practice to carry that out, suppose that power existed. If a magistrate were to summon a person before him who was suspected to have set a house on fire, the first thing the magistrate must say to him would be, "You are not bound to criminate yourself;" and I need hardly say that if a person had burnt a house, he would take good care to take advantage of that caution.

3901. But you can suppose cases in which persons who are no parties to the fire, yet know the cause, and do not choose to divulge it?—I think that those parties would not give any more information if they were summoned than they do now.

3902. But a witness put on his oath in a case where he would not criminate himself, would be more likely to speak more freely against a friend, or a master, or a servant, than if he came forward voluntarily, even if he came forward at all; is not that so?—In many cases he would; but I have known a great number of cases to the contrary.

3903. But in many cases you would get evidence which now you cannot get at?—You might.

3904. The police officer has no power at present to compel evidence?—No, but a magistrate has.

3905. But the prosecutor must have some evidence to bring before the magistrate?—If a police officer were to come before me, and say that he suspected John Thompson had set a house on fire, and he could give me certain grounds to justify that suspicion, I should have no hesitation in granting a summons for the attendance of any witness necessary.

3906. But suppose he said, "I have good grounds for suspecting that some person has set the house on fire, but I do not know whom," would you grant him a warrant in that case for John Thompson?—No, I have no power to do it.

3907. But that is usually the exact case; in a suspicious fire, the difficulty is to ascertain by whom the crime is committed, and there is no power under the present law to compel evidence on that subject?—No.

3908. The question is as to the desirability of some power of creating an investigation in a case where there is strong *primâ facie* evidence, from the appearance of the remains of the fire, that a crime has been committed?—An inquest *supervisum domi* instead of *supervisum corporis.*

3909. To ascertain with whom the crime lies?—That might be done.

3910. Would not that be useful?—It might; but I cannot say that I expect it would be.

3911. Are you aware that in foreign countries, and in America, previously to the appointment of some such officer, suspicious fires were very numerous, but that when an officer had been appointed, and had prosecuted his inquiries for several years, those suspicious fires were very much less in number, and that in some cases they have almost entirely ceased?—I have heard that there is a fire marshal in America.

3912. Have you heard of the case of Baltimore, where it has been given in evidence that suspicious fires were exceedingly numerous; but where a fire marshal has been appointed, and where at the present moment there are very few, if any, cases of suspicious fires?—I do not know how the fact is.

3913. I think you have stated that you wish the insurance offices to prosecute?—Yes; because they are the persons most interested, and most likely to be able to furnish the requisite guiding information.

3914. But in cases where the offices have strong grounds, from the report of their officers, to believe that arson has been committed, if they have no means of fixing upon the criminal without an inquiry, how are they to prosecute except through a public prosecutor, unless the power of compelling evidence exists somewhere?—As the law stands at present they cannot do so, certainly.

3915. Then, as prosecutors under suspicious circumstances, where the suspicion is only general, which is the case in 99 cases out of 100, the offices are powerless?—No, they might resist the claim in a civil action, and put the onus on the householder to prove his case.

3916. Do you really think it would be possible

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for an office to conduct its business if, in all suspicious cases, they put it upon the assured to prove that the fire was accidental?—I think so, especially if they united in pursuing that course.

3917. You pointed out the case of the Bankers' Association, I think, but you are aware that the case of forgery or fraud against a banker is so far different from that of fire that in the one case a plain crime has been committed against a banker, the fact of the crime being certain, whereas, in the case of a fire you may suspect, but it is not certain that any crime has been committed?—No doubt there is that difference.

3918. Does that not make an essential difference between the association of bankers, which is an association to convict for a crime that has been committed, and the case of insurance companies, who are to ascertain whether a crime has been committed or not?—I have already said that arson is very difficult to prove, which implies what you are now suggesting.

3919. But are not the two cases standing on totally different grounds, there being an unknown criminal in one case, while in the other case the crime itself is unknown; for, though you may suspect, you have no proof?—I am quite ready to concede that; but, on the other hand, I would like to submit to the Committee that it is very important that inhabitants should not be compelled to appear at a police-court, and subjected to a public investigation unless there are good grounds for suspicion. That is a sort of inquiry that ought not to be instituted on light grounds.

3920. Now, take the case of a man being found dead, or a man dying suddenly in his own house, does not the coroner exercise his discretion whether he will summon a jury or whether the case is one of manifest death from natural cases?—He does so.

3921. Then, supposing a proper officer to be appointed, and an officer competent to exercise a judgment of that kind, could he not exercise that judgment so as to prevent vexatious inquiries?—No doubt he could do so.

3922. Therefore if a proper officer was appointed, such as you describe, there would be no danger of vexatious inquiries, would there?—I should hope not, but there have been (I will not say in very recent times) unnecessary and vexatious inquests as to the cause of deaths, and there might be many such inquests as to the cause of fires.

3923. *Chairman.*] Is there anything that you wish to add to your evidence?—I think not.

Mr. John Humphreys, called in; and Examined.

Mr. *J. Humphreys.*

3924. *Chairman.*] You are the Coroner for Middlesex?—Yes.

3925. How long have you held that office?—Since the year 1859.

3926. What are the duties of the Coroner?—To inquire into deaths where there is a reasonable suspicion of any foul play, or where the death is unaccounted for.

3927. By whom is the coroner appointed generally?—By the electors of the county.

3928. How is he paid; by fees or salary?—By salary, on the average number of inquests in every five years.

3929. I believe that you gave evidence before the Committee of 1860 on the duties of the coroner, and also before the Select Committee of 1862 on Fires in the Metropolis?—Yes.

3930. Do you adhere to the evidence that you gave then?—Yes.

3931. Have you ever held inquests on fires?—Yes, my appointment being in the year 1859, and the decision of the Court of Queen's Bench being in 1860, I had but for one year an opportunity of doing so. I might mention that the ancient rights of the coroner were to take cognizance of felonies and try the offenders. By Magna Charta the right of trial was restrained, but he still exercises his rights in making inquiries into felonies. Wilful fire-raising I deem a felony, and I believe there is no law to prevent the coroner making inquiry into fires, but there is that decision of the Court of Queen's Bench against which no coroner would wish to set himself lightly; still there is no restriction by any Act of Parliament.

3932. You think that the decision of the Court of Queen's Bench was not according to the law?—I think that the case was badly argued, and I believe if it were properly argued again the decision would be reversed.

3933. In one year you held inquests into the causes of fires; had you many fires that year?—I can remember three, or four, or five; one I had was at Tottenham; every Saturday night they had a fire in that parish, until it attracted the attention of the overseers and churchwardens, and they determined to do something. The next time another fire happened I was applied to to take an inquiry. I hold that no court should put itself in motion, and I requested a communication from the churchwardens, or that some ten or a dozen inhabitants should memorialise, requesting me to take the inquiry. The result of that was that the insurance office defended the action brought by the claimant successfully, but the insurance office never prosecuted him. That will bear materially on the evidence given by Sir Thomas Henry, because the insurance office defeated the claim; but yet, although they knew that the man had wilfully raised the fire, and they had succeeded before two juries, the coroner's jury and a special jury in the Court of Queen's Bench, they still refused to prosecute him.

3934. The man was left unpunished?—Yes, but the fires ceased; I do not know that they have had more than two or three fires in that parish since the year 1860; that enquiry lessened the number of fires immediately.

3935. Was there any other case similar to that which came before you?—Yes, there was one in St. Luke's; there I was applied to by an insurance office, and the insurance office resisted the claim successfully, but they never prosecuted. I remember another case in Mile End, which was a case fraught with great suspicion, and the claim was never made; they abandoned the case; in that instance the evidence was very strong; the wife of the householder had escaped apparently in her night dress, but when she was discovered on the top of an adjoining house, she was found bodily dressed, with her stays on, a gold watch and chain, with merely a nightgown over her dress; the man was never prosecuted, and the crime went unpunished.

3936. Whose

3936. Whose business do you think it was to prosecute?—There is now no public prosecutor, but I think power might be left with the coroner to take inquisitions on fires; he would then have the right to bind over the churchwardens or the parish authorities, or the insurance offices, or any public prosecutor, if appointed, to prosecute.

3937. Who would then be the first to take the initiative; take the case of a fire occurring in that way, people knowing nothing of its origin, who do you think should be the first parties to initiate the inquiry into the origin of the fire?—I agree with Sir Thomas Henry that it should not be lightly entertained, but on an application to any person properly constituted like the coroner upon the spot, it is important that the inquiry should be immediate, that is why the insurance offices are justified frequently in not prosecuting; two or three months afterwards they cannot get up the proof.

3938. The elements of the evidence are gone?—Yes, the elements of the evidence are gone; whereas, if the coroner took an inquiry on the spot with his jury, I think if he was put in motion by the churchwardens or overseers, three or four vestrymen, or some 12 or 14 of the rated inhabitants, there would be no suggestion that the inquiry was made without a *primâ facie* reason.

3939. But who should be the first person to report to the coroner?—Every coroner has an officer of his own in each parish, and in a large parish he has three or four, whose duty it is to report all deaths, and he could just as easily report all fires.

3940. You think there should be a sort of preliminary investigation?—Yes, to ascertain sufficient facts to justify an inquiry.

3941. In that case the question of a criminal investigation would be left very much in the hands of the coroner?—Yes, he would be responsible that no such inquiry should be made, unless there were reasonable grounds to apprehend that the fire was wilfully raised or wholly unaccounted for.

3942. You do not think that that would be a harsh way of proceeding?—Certainly not.

3943. We have a law just now applying to chimneys on fire; a fire in a house is a much more dangerous thing and much more destructive to property; should that not also, in your opinion, be regarded as an offence?—I am not prepared to go that length. The number of fires has increased. I think Sir Thomas Henry is wrong in his notion that the committals have arisen through increased vigilance; it is rather that since the abolition of the right of the coroners to take the inquiries, those cases have not become known, and although I have individually been applied to to take inquiries upon fires supposed wilfully raised, my hands are tied by the decision of the Court of Queen's Bench; it does not follow that it is from extra supervision, but it is from the failing of a tribunal or any inquiry.

3944. Your opinion is, that there has been a large increase in the number of fires of late years?—Yes.

3945. And a large increase in the number of fires whose causes are unknown?—Yes. In cases of deaths arising from fires we invariably take inquests, because it is a violent death; but we are not always able to account for a fire satisfactorily; still I never yet found a case of a person in whose house the fire was raised but was well insured. I do not mean that as a suggestion against him, but that is a fact.

3946. Do you think that having an inquiry such as you suggest, would have the effect of reducing the number of fires?—We find that it reduces violent deaths. I feel very certain that the knowledge of an immediate inquiry on the spot would go far to deter from the wilful raising of fires.

3947. Lord *Richard Grosvenor.*] You suggest, I think, that the investigation should be commenced by the coroner's officer?—That he should give notice to the coroner. In the majority of instances that officer is also the officer of the parish, appointed by the parish, therefore that would make the parish give the notice.

3948. That would apply to every fire, I suppose?—No; I would only have notice given of those fires that were wholly unaccounted for, or where there was any reasonable doubt with regard to the origin.

3949. Do you not think that that would be rather invidious?—That may appear so; but the preliminary inquiry would not make it so; the man would communicate with the proprietors of the house and the Fire Brigade, and it would be, perhaps, satisfactorily explained with regard to the cause of the fire. If, on the other hand, the householder was unduly insured, or the fire originated in a part of the house where it was difficult to account for it, then I do not think it would be at all invidious. I am anxious to guard against that, and that is why I would make a preliminary inquiry.

3950. But you would not surely allow the coroner's officer in any parish to decide that question himself?—No; he would report the case to the coroner.

3951. But what would be the immediate action after every fire occurred; the fireman would report to his superior officer, Captain Shaw, we will say; would he first of all use his discretion in forming any sort of opinion, whether it was an incendiary fire or not?—He has no means of judging. Before he would put any householder to the inconvenience of an inquest, the officer should be fully justified in doing so, and he should be authorised to examine witnesses on oath, because what you may pick up at the time that the fire is going on, or within 12 or 14 hours of it, must be a partial report, and not one that would justify any further inquiry. I should see no particular harm if every fire was reported. The case of chimneys on fire is a case in point.

3952. Do you think that the coroners in London would be able to find time for those inquiries?—Yes; a man of judicial experience would be able to form an opinion whether the witnesses were speaking truthfully or otherwise far better than a person like a police superintendent or a person attached to the Fire Brigade.

3953. But the police have a certain personal knowledge of those groups of individuals whose business it is to effect fraudulent insurances, and who have had incendiary fires?—Yes, that is their belief; they have no evidence, and if you trust to belief, without evidence, you would get into a very bad way.

3954. But the police believe that they do know of those groups?—Yes. When I was in practice as a solicitor, I was concerned for two insurance offices, who would never prosecute, and scarcely ever bring an action, because they immediately get the character of being shabby, and

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and litigious, and so keen is the competition among the insurance offices, that if the present offices were to combine and have a solicitor like the bankers, you would have other offices spring up and repudiate that connection, who would carry away the business. The thing is impossible.

3955. But if the investigation was only commenced where there were supposed to be suspicious circumstances in the case of a man who had a fire, the insurance company would have a black mark against his name?—Not so if he was able to show the origin of the fire, but *primâ facie* if a man cannot give any explanation of a fire in his house, it is right that an inquiry should be made.

3956. You think that would not be invidious?—No.

3957. But the very parties who commit incendiarism would always be ready to account for the fire some way, would they not?—Yes; but the local man who in many cases has been in the police force, and who is a keen man, would go and make his inquiries on the premises, and bring the result to me. I would impress on the Committee that you have in the Coroner's Court all the elements that are essential for making inquiries into fire, as well as into cases of death. You have a tribunal ready at hand, with power to call witnesses, and to commit if necessary.

3958. Would you always insist upon a jury?—Yes.

3959. *Chairman.*] I understand you to say that you would first begin without a jury?—That is the representation to the coroner in the first instance; an officer reports in case of death that a man was found dead, perhaps under a haystack; that would be a case in which an inquiry was necessary. I would make him bring me the same information with regard to a fire if the cause was unaccounted for, and the insurance was too much (there would be forms printed for his guidance); and I should then see whether there was a justification for an inquiry.

3960. Lord *Richard Grosvenor.*] And then you would summon a jury?—Yes; then I am in motion. The coroner would be the person on whom the responsibility would rest of deciding whether there should be an inquiry or not.

3961. Mr. *Lush.*] As a matter of fact, you have had many applications made to you to examine into the causes of fires?—Yes.

3962. By people who did not know that you had not the power?—Just so.

3963. Do you think that it would be beneficial to have a regular examination into all fires?—It would be the means of preventing wilful fire-raising to a very large extent. I believe that more fires are wilfully raised in London than are at all within the conception of any person other than the insurance offices.

3964. And you have more of those applications than we think of, perhaps?—No; it is pretty well known that we cannot take an inquisition now, unless there is a death, and from trying all those cases we are familiar with the duties.

3965. You think that the coroner is the best person to do it?—With submission, I think so, for the reasons that I have just given.

3966. You think that the matter should be left to the coroner to decide whether the case was a fit one for investigation or not?—I think that he should be responsible.

3967. Mr. *Miller.*] You have referred to one or two cases that came under your knowledge in which the insurance offices resisted payment successfully?—Yes; the occupants of the house brought an action on the policy; the insurance office defended the action, and pleaded fraud; a jury tried the case, and found that there was fraud, and being a case of wilful fire-raising, they absolved the insurance office from all liability.

3968. Is it no one's duty in a case of that kind to take up the matter?—No one's.

3969. Not when felony has been proved to have been committed by the decision of a jury?—There were two juries, the coroner's jury and the special jury; the insurance company or the public prosecutor would have the depositions taken at the coroner's court in their hands, subject to examination and cross-examination. In both those instances the insurance office defeated the claim, but the person committing the crime was never put on his trial.

3970. But a prosecution usually takes place, does it not, on the part of the Government, in cases of proved crime?—Yes, but the insurance offices did not interfere, having been successful with regard to their civil rights; forgery would have been prosecuted as a matter of course.

3971. Arson is felony, too, is it not?—Yes.

3972. Who takes up the prosecution in a case of forgery?—The person on whom the forgery is committed.

3973. Take a case of murder?—When the depositions are returned, the man is put on his trial, and the judge asks some barrister in attendance if he will take the depositions and represent the prosecution.

3974. It is not incumbent on him to do that, is it?—No, it is not incumbent on him. I remember that there was another instance where the claimant forewent his claim on the insurance office entirely; the crime of arson had been committed, but he was never put on his trial; but if you strengthen the hands of the coroner he has power to commit anybody for trial, and bind anybody over to prosecute; the insurance office or the person defrauded, the landlord, perhaps.

3975. Mr. *Lanyon.*] Did you see a case reported in the papers this morning where a person was prosecuted for burning a house, and some woman who gave evidence against him stated that he had employed her to go and take another house, and insure that house also, just as a matter of business?—Yes. Not long ago I had a case where a man said, "I am very glad of this inquiry; I expect that my next door neighbour will get up a fire before long; I know I shall be burnt out;" and he was burnt out.

3976. *Chairman.*] Supposing that it was to be decided that the coroner should carry on an investigation into all fires, how should he be paid, do you think?—He is now paid out of the county rates.

3977. Do you think that he should be paid by fees or by salary?—I always object to such officers being paid by fees, because it may be alleged that they will take those inquiries for the sake of the fees; whereas if they are paid by salary it absolves them from any liability to suspicion, and gives them a more dignified and proper position, in which they would be careful not to exercise their functions without a very strong case of necessity.

3978. But you think the coroner would still be quite strict enough if paid by a salary?—I would put it in this way; that he should be paid by fees, of which the average should be taken every

every five years, so that if he was negligent his pay would be taken away from him. The average being only five years, it is too remote to suppose that a man would work five years for nothing, in the expectation of getting something the next five years.

3979. Is there anything that you wish to add to your evidence?—I believe not.

Mr. Serjeant WILLIAM PAYNE, called in; and Examined.

3980. *Chairman.*] YOU are Coroner of the City of London?—Yes, and of the borough of Southwark.

3981. How long have you held that office?—Thirty-eight years, I think; ever since the year 1829.

3982. I believe that you gave evidence in the year 1860, with regard to the duties of coroner?—I did.

3983. Do you still adhere to that evidence?—So far as it relates to fires I do; that is only a small portion of it, it was generally on the duties of the coroner.

3984. Since you were appointed to be coroner of the City of London and the borough of Southwark have you held inquests on fires?—Yes.

3985. For how many years?—I think it was five or six; it began in 1845, and it ended somewhere about 1850.

3986. Why did you discontinue to hold inquests on the causes of fires in the year 1850?—The Court of Common Council paid all the expenses up to that time, but they thought that there was not the requisite power to hold a court, and I said, "Very well, if that is so, I do not want to continue it."

3987. Up to the year 1850 the Court of Common Council approved of your reports, and paid your expenses?—Yes.

3988. Then they objected to pay your expenses any further?—Yes; because somebody said they thought it was not legal.

3989. Had you any application after that to make investigation into the causes of fires?—Yes, there was one from Messrs. Wigan & Wood, the great hop merchants in the Borough; that was in the year 1851. I told them what had happened in the Court of Common Council, and I said that I would rather not interfere though my notion was that it was legal; they wrote to the Lord Mayor and he laid the letter before the Court of Common Council, and they took no action upon it. They applied to me again, and Alderman Humphrey, who was then a Member of the House, begged my attention to it. I agreed to hold that inquest if Messrs. Wigan & Wood would pay the witnesses for their attendance, which they readily agreed to do. The inquest was held, and the verdict was, that the premises were set on fire wilfully, and the Secretary of State offered a reward to discover the guilty party.

3990. Was he ever discovered?—I do not know; that was the last I heard of it.

3991. When you held an investigation into the causes of fires, how did you proceed; who reported the case to you in the first instance?—The officer of the neighbourhood where the fire had taken place; I mean the police officer, or the ward officer, who used to inform me of it; sometimes it would be by a letter, signed by a great many of the neighbours, if there was anything very strongly suspicious, otherwise I took it on the report of the ward officers, the constables, or police.

3992. The coroner has an officer, has he not?—Merely to summon juries and witnesses, but nothing beyond that.

3993. Was there any preliminary inquiries made into a fire before it was reported to you?—I do not know, but my opinion would be, that an inquest ought to be held in every case of fire, just the same as in a case of accidental death. Something has been said in the course of the evidence, about a person being found dead in his bed (that is the act of God); we do not scrutinise that, but fire is more like an accidental killing by human agency.

3994. But a man found dead in his bed might be accidentally killed by human agency?—Yes, there might be many cases where it might be proper to inquire into the cause of death; and there might be cases where the surgeon certifies it to be natural, but a fire must to a great extent happen from human agency.

3995. Would you propose that the coroner should inquire into the cause of every fire?—Yes; I cannot discover any better tribunal than that of the coroner's.

3996. Would not an inquiry into the cause of every fire, in your opinion, be vexatious?—No; all the letters and documents that I have received point to that as being much better than picking out a case, and saying that a man is suspected of having set his house on fire.

3997. Suppose there was no suspicion, and the property was uninsured, do you think that it would be the duty of the coroner to proceed to investigate the case?—I think it is the only safe course, otherwise, how can you deal with the servants; there may be those who have some ill-will towards their masters, and I think that the inquiry should take place in all cases just the same as in a case of accidental death, because it is in most cases the effect of some human agency.

3998. I think it was stated by the previous witness that the coroner would be set in motion by a representation from some of the churchwardens, or by his own officer?—That has been done by the churchwardens and the inhabitants.

3999. But do you think that it should be the coroner's duty to set the case in motion himself?—It should be his duty to hold an inquest.

4000. Without a jury?—No, with a jury; he has no power to hold a court without a jury.

4001. But he has power to hold an inquiry without a jury?—Only to make preliminary inquiry.

4002. Mr. *Lanyon.*] As in a case of accidental death?—We never do that without a jury; that is death by human agency.

4003. Take the case of a man who dies in his bed, where you are satisfied that it is not necessary to hold an inquiry?—Yes, but that is because it is a natural death.

4004. You make an inquiry without a jury, which inquiry leads you to that conclusion?—Yes; but that would not apply to a case of fire, because it cannot be natural, generally speaking.

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4005. But you might make a preliminary investigation to satisfy yourself whether it was supicious or not?—I doubt the safety or the propriety of that.

4006. *Chairman.*] It throws too much into the power of the coroner, you think?—Yes; and further than that, I think it ought to be inquired into by a jury, in the usual way, to see whether it is accidental or otherwise.

4007. Can you inform the Committee what was the effect of your holding those inquests into the causes of those fires for those five or six years?—The effect of it was this, that in the year 1845–6 there were 11 inquests, two of the fires were wilful, six accidental, and three cause unknown; in 1846-7 there were nine inquests, one of them was wilful, three accidental, and five cause unknown; in 1847–8 there were 16 inquests, two of them were wilful, eight accidental, and six cause unknown; in 1848-9 there were 22 inquests; three of them were wilful, 10 accidental, and nine cause unknown. In 1849–50 there were 13 inquests; one of them was wilful, seven accidental, and five cause unknown. In one of the cases in the year 1845 the party was indicted after an inquiry was made by the coroner, and he was acquitted; but from the information which I received afterwards, he told the officer that he fully expected to have been transported. In the other case of wilful burning they could not discover who the delinquent was. In the year 1846, in one of the cases mentioned, the tenant, who was indicted, was out on bail, and the officer of the insurance company having stated to him that he was sure to be convicted, he ran away, and went abroad, and his recognisances were estreated. I had an application from the Treasury to know if I knew anything of the parties, so that the Treasury might judge if they ought to relinquish the amount of their recognisances. There was another case, where a man wrote to me to say that he kept watch whilst another man set fire to the premises. I sent that letter to the insurance office, but they took no steps on it. In the year 1847, in one of the cases of arson, a person was in custody for a considerable time, but was eventually discharged, the evidence not bringing it quite home to him. In the other case of arson the man was seen coming out of the premises at the time of the fire, but he got away. In the fourth year there were three cases of arson, and several suspicious ones. In one of the cases of arson, which was in Bermondsey, two men, the tenant of the house and his brother, were convicted, and transported for life. That conviction would never have taken place had it not been for the coroner's inquest. That was a case in which the tenant set fire to his own house; and that, therefore, would not be arson by the common law, which is the burning of the house of another. A man was never supposed to burn his own house; it is only since the insurance offices have been so prolific that cases of arson have occurred in that sense. The jury gave a verdict that those two men had certainly set fire to the house. I said to the insurance office, "You hear what the jury say; you will, of course, order these men into custody, take them before the magistrate, and have them committed;" but they said they had no instructions to do so, and could not do it. The men were at large. A police magistrate read the account, and sent for the police; and he said, "How is this? This is a case of arson, and nobody has been taken up; you bring the men before me." He had them taken before him, committed them for trial, they were indicted, convicted, and transported for life; and that was entirely due to the coroner's inquiry.

4008. But there were surely more fires in London in 1856 than the 13 fires which were inquired into?—I investigated into every case of a house on fire (excluding chimneys) in my own district.

4009. Were those all the fires that occurred in your district in the year 1856?—Yes, that was all. The late Mr. Braidwood gave me every assistance. If there was any fire he always told me of it.

4010. But if he was quite satisfied of the cause of the fire he would not report it to you, I suppose?—Yes, he did, and I held an inquest on every fire within my jurisdiction. The expense to the Corporation was about 52 *l.* or 53 *l.* a year, and London and Southwark are two very populons districts. In the country there is much less population, and there are much fewer houses.

4011. Can you inform the Committee the number of districts into which the metropolis is divided?—London and Southwark are within my jurisdiction. Middlesex has three coroners. Westminster has one. Surrey has two. Kent has three or four, in different parts. Essex has two or three. There is perhaps a borough coroner at Canterbury, or somewhere there, but I think that there are four or five coroners in Kent, taking them altogether.

4012. Perhaps only suspicious cases were reported to you?—I certainly understood that I held an inquest in all cases of fires.

4013. Mr. *Lusk.*] Perhaps at all events the inquest was only held on fires that were of consequence?—That might be so.

4014. *Chairman.*] What was the effect of your holding those inquests; was the number of fires reduced, do you think?—Unquestionably so. There is no doubt at all about that, because in one part of the year there were 16 fires previous to a particular date, and none afterwards. Originally there were only two Crown officers; that was the sheriff and the coroner, and all criminal cases were investigated by them. A justice of the peace was not even thought of then. Those officers made their enquiries, and when the judges made their circuits in seven years, or in three years, or more frequently afterwards, they used to try those cases. It was not until Edward IV. came to the throne that any justice of the peace was known.

4015. You think that those inquests had the effect of reducing the number of fires?—I have no doubt about it.

4016. Have you any statistics to prove that?—Mr. Braidwood told me, "If you had originated these inquiries a few years ago a great many people who are now in this country would have been abroad."

4017. I find it stated in the evidence of Mr. Humphreys, in the year 1862, that the taking of inquests on fires was revived a few years back by the coroner of the City of London, and immediately the fires fell one-fourth in proportion?—Yes, I saw that he said that.

4018. Have you any facts to support that statement?—I have not got them before me at this moment.

4019. You have, however, Mr. Braidwood's opinion

opinion with regard to the effect of holding those inquests?—Yes.

4020. And Lord Denman's opinion also; what was that?—Lord Denman wrote me a long letter in which he said, "Long before I heard of the suggestion that coroners should inquire respecting fires it had occurred to me as a most desirable improvement, and I rather think I mentioned it to Sir James Graham;" I sent him a short draft Bill to legalise these inquiries.

4021. You have had correspondence with parties from other districts with regard to the effect of holding inquests on fires?—Yes, sometime ago an agent of one of the fire offices said that "In a village in Cambridgeshire there were 11 fires in as many months, and no sooner was the insurance money paid in one case than another happened, but as soon as they got the coroner to follow the example of the coroner of London and hold inquests, the fires altogether ceased." Another agent said, "These inquiries have been the means of saving the insurance offices many thousands of pounds."

4022. I believe that you have Dr. Thackeray's opinion also?—Yes, he said in a letter, "I have been present at various fires, but the farmers are always unwilling to mention their suspicions, lest they should become victims to their labourers, but a jury could have no such fears." The West of England Fire and Life Insurance Office in Manchester, in November 1848, wrote thus: "Seeing how much public good arises from the fact of holding inquests upon fires, with a view of discovering their origin, we are very desirous of inducing our corporation to hold similar inquests through their coroner, and for that purpose have, in common with several other insurance companies, sent in to our town clerk a requisition to that effect."

4023. Is there any machinery just now for having an investigation into the causes of fires; could it, in your opinion, be done properly before a police court, as we find that the Court of Queen's Bench say it cannot be done before the coroner?—The coroners pay that respect to the Court of Queen's Bench that they do not hold those inquiries. There is one more letter from a gentleman in Lincolnshire, which was published in the "Lincolnshire Herald." "Let me avail myself of a corner of your widely circulated paper, to explain the great service rendered by Messrs. Edwards & Fricker in conducting the investigations which discovered the perpetrator of one of those diabolical outrages which have lately disgraced our neighbourhood. To these coroners' inquests alone is to be attributed this very satisfactory result, and I can scarcely express the extent to which it has relieved the minds of many innocent persons liable to be suspected. For the last two or three weeks our position with respect to our labourers has been most painful, doubt and distrust on one side, and on the other innocence, without the capacity of clearing itself from suspicion of guilt."

4024. Are you aware whether there has been an increase in incendiary fires of late years?—Only from the newspapers. I cannot go beyond that.

4025. Do you consider that the coroner's tribunal would be as good a tribunal for the investigation as the police magistrate?—The police magistrate could not do it unless you establish him as a new court. The Coroner's Court is in existence, and it has all the necessary power and machinery; his court is a court of record; he can examine witnesses on oath, take a jury's verdict, and bind over the parties to prosecute.

4026. There is no particular officer or court at present before which a suspicious case of fire-raising can be prosecuted, is there?—No, there is not, unless somebody is named as an individual suspected.

4027. But you think it advisable that there should be such a court?—Everybody seems to think so; and I think so, decidedly, knowing the good that has resulted from it in London and Southwark.

4028. Lord *Richard Grosvenor.*] As there are about four fires in London every night, it would be rather cumbersome for the coroner to summon a jury the next morning to inquire into the cause of every fire that took place during the night, would it not?—If the fires were of sufficient importance to make it necessary that there should be an inquiry, I think the neighbours are always glad to come forward.

4029. But who is to be the judge of the "importance"?—A chimney on fire would not be a case in point, of course.

4030. But putting chimneys out of the question altogether, who is to be the judge of the importance of a fire?—If it is a fire sufficiently large, supposing that a house is burnt, or half burnt, during the night, I think the neighbours are always glad to come in and take their share of the inquiry.

4031. But somebody must be the judge of the importance of the fire?—Yes.

4032. Then, who would you suggest should be the person to judge of the importance of the fire?—It must be the Fire Brigade and the coroner, I suppose; he must eventually form his own opinion on that point.

4033. Before summoning a jury, I suppose?—Yes; the same as he does in case of natural death, when the doctor says, "We are satisfied, and we see no cause of suspicion;" there is then no inquiry; and the same thing should be done in case of house burning.

4034. But I think I understood you to say that you would have every case of fire reported to the coroner?—Yes; every case of sufficient importance; but a chimney being burnt would not be a case for a coroner.

4035. Still, if you only investigate cases that are suspicious, that is invidious, is it not?—No doubt; and that is what I want to avoid.

4036. And the only way of avoiding that is by investigating every case, you think?—Yes.

4037. Every case of fire should be submitted to the coroner, and he should use his discretion whether the inquiry should proceed?—Yes; it would certainly come to that; but, as a general rule, he would hold his court.

4038. Do you think that your business would allow you to give sufficient time to the duty of inquiring into the causes of fires?—Yes, when I see that there are only 17 or 20 cases in London or Southwark in the course of the year, or even if we double the number, or make it 60 or 100 it is not a great matter, though they are generally long inquiries, certainly.

4039. Are there no more than that?—There were not within my jurisdiction.

4040. You suggest that the coroner would be a better person than a police magistrate to conduct this inquiry?—Yes; the magistrate must have a bird in the cage before he can do anything;

Mr. Serjeant *W. Payne.*

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thing; the coroner may make an inquiry only; if it results in nothing, nobody is taken into custody; but if it does result in anything, the person is taken into custody.

4041. Can a coroner commit for murder, or for any crime?—Yes, and he does; his is "a court of record, of which the coroner is the judge;" that is Lord Tenterden's definition. The police magistrate has the power of commitment, but there is no verdict, and no court of record; he only commits for safe custody to the Sessions; the coroner's jury find the bill themselves, and commit upon it.

4042. Why is it that in many cases of murder a man must be committed by the police magistrate and the coroner?—No, not "must;" he is. But the coroner's is a higher court, because there is a jury, and an indictment, while the police magistrate only commits for safe custody, subject to the grand jury finding a bill.

4043. Is not a prisoner committed by a coroner tried by a grand jury?—They always prefer a bill, but he may be tried on the coroner's finding alone, because that is an indictment; but it seldom happens so unless the grand jury throw out the bill.

4044. Mr. *Lusk.*] You think that all cases of fire ought to be investigated?—Yes; otherwise there is something invidious, because next to the cause of death, the investigation into the cause of a fire is of so much importance.

4045. Do you inquire into all cases of accidental death?—All violent deaths.

4046. You would apply the same thing to fires, because you think that a fire is seldom caused without human agency?—Just so.

4047. Has the coroner any officer whom he could put in motion except the summoning officer?—He would always be assisted by the police or the fire brigade.

4048. But in a country district there might be no ward officer?—Still there is a parish constable or the rural police, who would answer the purpose just as well.

4049. You do not think that it would be a hardship to inquire into all cases of fires?—Just the contrary, I think.

4050. Some of the witnesses who have been examined here think it would be a hardship to inquire into accidental fires?—If the public are satisfied from that inquiry that it is accidental, all suspicion is taken away from that case; it is only an inquiry; it is not an accusation; it satisfies the public whether there is a fault or whether there is not; it clears it up one way or the other.

4051. Mr. *Miller.*] Perhaps during the time when you held those inquests partial fires were not reported to you?—Perhaps not, but my impression at that time was that any fire that was of any importance was inquired into.

4052. You have stated that your opinion was that the coroner's resuming this function would obviate the necessity of establishing any new machinery?—Yes, because you have coroners throughout the kingdom.

4053. Do you think that there is a sufficient number of coroners to take that extra amount of duty in hand?—Yes, I think so.

4054. You are of opinion that there would be no necessity for extending the number or the staff of the coroners?—Coroners could very easily be added by an application to the Lord Chancellor, supposing it was found necessary, but I think it would not be found necessary.

4055. You think that the duty could be attended to, without any increase even to the staff of the coroner?—Yes, I think so; I found it sufficient for five years.

4056. And you think that it would be a very efficacious system?—Yes; you must otherwise establish a new court altogether. But the coroner has all the appliances, and he could do all the work if you chose to put him in motion.

4057. Mr. *Lanyon.*] Have you any improvement to suggest with regard to the coroner's court, supposing this duty were put upon him?—No; I may, however, add that the office of coroner, in my opinion, ought to be filled by first-class men. I do not know how it is in the country, but with proper men in office I do not see any difficulty, or any necessity for improvement.

4058. The machinery as now constituted would be perfect, you think?—I think so.

4059. *Chairman.*] Is there anything that you would wish to add to your evidence?—Nothing that I can think of.

Thursday, 30th May 1867.

MEMBERS PRESENT:

Mr. Beach.	Mr. Lanyon.
Mr. Gorst.	Mr. Lusk.
Lord Richard Grosvenor.	Mr. M'Lagan.
Mr. Horsfall.	Mr. Read.
Mr. Kinnaird.	Mr. Tite.
Mr. Laird.	Mr. Turner.

PETER M'LAGAN, Esq., IN THE CHAIR.

Mr. WILLIAM CHARLES MILES, called in; and Examined.

Mr. *W. C. Miles.* 30 May 1867.

4060. *Chairman.*] WHAT is your profession?—I am an Oil Merchant and Lamp Manufacturer.

4061. In what kind of oils do you deal chiefly?—I deal chiefly in petroleum and paraffin oils; in mineral oils generally.

4062. Could you state what quantity you sell per day of mineral oils?—Not in the wholesale trade; but in the retail trade from 400 to 500 gallons per week during the winter months; I sell a large quantity wholesale.

4063. But your figures are with regard to the retail trade exclusively?—Yes.

4064. Are they with regard to both petroleum and paraffin oils?—Both.

4065. Is your wholesale business situated in London?—Yes, in Spitalfields.

4066. And your retail business is also in London?—Yes, my retail business is also in London.

4067. Can you give the Committee any idea of the quantity of mineral oils stored in London at one time, and the wharves at which they are stored?—This return is dated the 20th of May 1867; at Plaistow wharf, in round numbers there were 29,000 barrels refined, 286 barrels of crude, 1,876 barrels of spirit; Mellish's wharf, 4,185 refined; Drew and Campbell's, 2,985 refined, 454 barrels of crude, 232 barrels of spirit; Victoria Docks, 576 barrels refined, and 12 barrels of crude; Scott's wharf, 1,349 refined; Timothy's wharf, 196 refined, and 74 barrels of crude. This is in addition to the private warehouses.

4068. Have you any idea of the quantity stored at one time in any private warehouse?—It is up to 20,000 or 30,000 gallons at a time, I should say.

4069. How much does each barrel contain?—About 32 gallons on an average.

4070. Is it entirely petroleum, or is it paraffin oil also?—That would include both, though a very small quantity of paraffin oil in proportion to petroleum.

4071. Now, in those different wharves is there anything else stored but the petroleum, or are they devoted entirely to the storage of petroleum?—Some of them; at Plaistow wharf they store jute; that is the only article.

4072. Mr. *Tite.*] Is Plaistow wharf down the river?—Yes, below Victoria Docks.

4073. *Chairman.*] Is it near any other warehouse?—It is at a distance from any other warehouse, in the middle of a marsh.

4074. I think you stated that jute was stored there as well as petroleum?—Yes.

4075. Are those articles stored contiguously?—They are in the same line of buildings, within the same inclosure.

4076. With a partition wall between, I suppose?—Yes.

4077. Can you state the thickness of the partition walls?—No; at Mellish's wharf, Millwall, there are wharves on either side, and petroleum only is stored there; Drew and Campbell's receive only petroleum and spirit; there is a part of Victoria Docks apportioned to petroleum oil only; Scott's wharf, at Dockhead, is surrounded by other wharves where there is property of considerable value; it is a sort of general wharf; Timothy's wharf is a general wharf.

4078. What is paraffin oil?—It is oil distilled from shale or coal at a low temperature.

4079. What is petroleum?—Petroleum is imported from America.

4080. From the natural springs?—Yes.

4081. Do you consider that paraffin oil is equally dangerous to petroleum?—As a rule it is much safer.

4082. Why is it safer?—Because it is manufactured in this country, and the manufacturers take more care in refining it. I suppose this is because, in case of accident, they could be more easily reached by law than an American refiner, and besides obtain for their products a bad name.

4083. What makes petroleum more dangerous than paraffin oil?—Petroleum ignites at a much lower temperature as a rule than paraffin oil.

4084. What is the cause of that?—It is because it gives off inflammable vapour more readily.

4085. It contains more light spirit, I suppose?—Yes, and is more volatile in consequence.

4086. Petroleum can be made quite as safe as paraffin oil, can it not?—Yes, by extracting a larger proportion of the light spirit.

4087. With regard to the relative prices of the oil and spirit, which is the more expensive of the two?—They vary considerably; sometimes spirit is higher than petroleum, and sometimes petroleum is higher than spirit.

4088. Do you find that petroleum is more dangerous at one particular time than at others?—Not at particular seasons of the year.

4089. When the spirit is dear, do you find that the petroleum is more or less dangerous?—Petroleum is safer when the spirit is dear.

4090. Consequently, you would say, that the reason that so much dangerous petroleum is sold in this country is on account of the spirit being cheaper?—I have no doubt of it.

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4091. Do you consider that the spirit is quite as good for burning as ordinary petroleum?—No; it is used for other purposes, but not for burning.

4092. You would say, therefore, that the public are cheated by buying petroleum oil with a large quantity of spirit in it?—I should hardly like to say that, perhaps in some instances it no doubt is so.

4093. What do you mean by light spirit?—The more volatile portion of the crude oil, extracted in process of refining.

4094. What is the difference between that and the burning oil?—The spirit is extracted from it in the process of manufacture, and is very volatile; it has a specific gravity of 7.50 degrees to 7.60 degrees; the burning oil of paraffin would be about 8.20 degrees, and petroleum would be about 8.00 degrees.

4095. Mr. *Turner.*] What is the spirit extracted from?—From any mineral oil.

4096. You do not distinguish what they are?—No; they are equally dangerous.

4097. Lord *Richard Grosvenor.*] What is the spirit used for?—It is used for mixing. During the American war, when turpentine was very high, it was used for mixing with turpentine; it is also used as a solvent for indiarubber, and for many other purposes.

4098. *Chairman.*] It is called turpentine substitute, is it not?—Yes.

4099. Mr. *Turner.*] It is mixed with paint, instead of turpentine, is it not?—Yes, frequently.

4100. *Chairman.*] What is the igniting point of that turpentine substitute?—It is much below the common temperature; it will go off nearly like gunpowder.

4101. Lord *Richard Grosvenor.*] It will ignite on passing into atmospheric air, will it not?—Not without a light.

4102. Mr. *Turner.*] But suppose the spirit is heated, will not the vapour rising ignite without a flame touching the spirit itself?—Spirit gives off a vapour that would ignite instantly on a light coming in contact with it, without requiring either to be heated, or to touch the spirit itself. But vapour arising from heated or unheated spirit, might be carried by atmospheric air into contact with a fire at a considerable distance.

4103. Is it not the fact that if petroleum is heated to a certain temperature, the spirit which rises from the petroleum takes fire?—Yes; if it comes in contact with a fire or flame.

4104. Would the same thing take place with regard to this spirit?—I believe it would explode.

4105. Would it explode at a less heat than the petroleum or the mineral oil from which it was extracted?—Much less; I believe that you dare not put a light near it at all at the common temperature.

4106. Mr. *Tite.*] Particularly in hot weather?—Particularly so.

4107. *Chairman.*] Do you know the igniting point of turpentine?—No.

4108. Do you think that it gives off vapour as readily as the turpentine substitute does?—No, it does not.

4109. Are you aware of there being any Acts of Parliament with regard to the storage of turpentine?—No, not for turpentine, that I know of.

4110. Do you sell turpentine?—No, I do not sell turpentine.

4111. Do you find your business at all restricted by any Acts of Parliament relating to these matters?—No.

4112. I suppose you know that there is an Act of Parliament for the storage of petroleum?—Yes

4113. Can you inform the Committee the igniting point at which that Act insists petroleum should be sold?—That Act of Parliament refers to petroleum giving off an inflammable vapour at a temperature under 100 degrees.

4114. Is that the ordinary igniting point at which you sell the oil?—No, I should not receive that quality of oil knowingly.

4115. In speaking of the igniting point, will you be good enough to state whether you mean the igniting point of the vapour or the igniting point of the oil; what do you think is the meaning of the Act of Parliament?—I believe that the Act of Parliament requires that the test should be the vapour test, but I think that is not the test generally accepted in the trade.

4116. What is the test generally accepted?—It is usually the oil test.

4117. That is a lower temperature than the igniting point of the vapour, is it not?—I should think that it varies from five degrees to 10 degrees lower.

4118. What is the ordinary igniting point of the oil that you sell?—From 110 degrees to 130 degrees when I can get it, but I am sometimes forced to take it at 105 degrees.

4119. Why are you forced to take it?—Because there is no other to be had.

4120. Neither petroleum nor paraffin oil?—Paraffin oil there is, but my customers prefer petroleum.

4121. Is petroleum generally preferred in the market to paraffin oil?—Generally.

4122. Why is that?—It is because of its better colour, and greater freedom from smell.

4123. Not because it is found to be a better burning oil?—Not at all.

4124. Which is the more economical for burning?—Paraffin oil.

4125. Why?—It is of a much heavier specific gravity, 8·20 degrees to 8·25 degrees, while petroleum would be about 8·00 degrees, and therefore the former would burn much longer.

4126. But will it give off the same light?—About the same.

4127. Suppose a man came to buy one shilling's worth of paraffin oil, would that give more light than a shilling's worth of petroleum?—It would.

4128. Can you inform the Committee what is the ordinary igniting point of the oil sold in London by other parties as well as yourself?—I believe that the bulk of it would be found to test considerably under 100 degrees; it would ignite at a temperature considerably under that, if you took the vapour test; most of it would be about 100 degrees, if you take the oil test; different samples would vary up or down a few degrees.

4129. But if they sell that oil at less than 100 degrees, are they not committing an illegal act?—It depends entirely on the interpretation put upon the Act of Parliament; I think the vapour test is the correct one, and that reduces the temperature of the oil sold, perhaps, down to 90 degrees.

4130. But you think it is vaguely expressed in the Act of Parliament?—I think that many people honestly believe that it means the oil test.

4131. Were you in the trade before this Petroleum Act was passed?—Yes.

4132. What effect had that Act of Parliament on

on the trade?—I believe that it had the effect of lowering the standard of the oils generally.

4133. Why had it that effect?—Many people misunderstood its meaning; they took it for granted that the Act was giving Government sanction to their selling oil that ignited at a temperature not below 100 degrees; previous to that it was much higher; I have had American oils with an igniting point of 150 degrees or 160 degrees, but since the passing of the Act I have not seen a single sample of that. It should be noted, that through this misconception, importers appeared quite satisfied; and some of the minor makers in this country also, if they could place their oil on the market not igniting below 100, though this has in many cases not been adhered to.

4134. Mr. *Tite.*] Then the Act was not only inoperative but mischievous?—I think it was mischievous so far as this, that I believe it has been misunderstood.

4135. *Chairman.*] What is the cause of the Act of Parliament becoming comparatively inoperative; was there any officer appointed for the inspection of these oils under the Act?—No.

4136. Do you think that it would be advisable to appoint such an officer under any fresh legislation?—Yes; I am sure it would.

4137. Do you think that it would interfere with business if an officer were appointed to test the petroleum with regard to the igniting point?—I do not think it would interfere in the least.

4138. Mr. *Horsfall.*] Would not that be very troublesome in practice?—I should say not.

4139. *Chairman.*] Is it difficult to ascertain the quality of petroleum?—No; it is a very simple thing to test petroleum or paraffin oil; a man of ordinary ability could learn it easily in a quarter or half-an-hour.

4140. To do it accurately?—Yes, sufficient for the purpose at least, but not to a degree without more experience, say, a few hours testing.

4141. Would you propose to have it tested both in the retailer's shop and when the petroleum is imported into this country?—I would have every cargo tested in the first instance.

4142. How would you proceed to test those cargoes?—Every cargo would consist of a number of different brands, the oil of each brand generally testing throughout at something near the same igniting point. I should take a sample from two or three casks of each brand and test that.

4143. Do you think that there would be any danger in doing that; where would you do it; would you do it on board the vessel or on the quay?—Testing could be performed much more accurately on shore, say, on the quay or office; and I think also it should be done at greater distance from cargo than any position on board, especially as many or most cargoes consist of refined oil, and spirit or crude; at times of all three.

4144. You think that one officer would be enough for the oil when imported?—Yes.

4145. I suppose you think that any ordinary Custom House officer would be quite able to test the igniting point of those oils accurately enough?—I do.

4146. Or a police officer of ordinary intelligence?—Yes.

4147. Is it the practice of the trade that every cask is gauged before it is sent away?—Every cask is gauged in the first instance on arrival.

4148. If that is done, is it not as dangerous almost as taking a little out to test it would be?—Yes; It is usually gauged in the open air.

4149. How is that done?—The casks would be rolled along according to the brand, and the bungs drawn, and the rod dipped in; no light need be near the gauger.

4150. Where do you find that the most dangerous petroleum or paraffin oils come from?—The bulk of it comes from America.

4151. Is it imported direct into London?—It is imported direct.

4152. Into London?—The more dangerous petroleum comes from Liverpool; it is imported first into Liverpool and then into London.

4153. Do you mean petroleum alone or mineral oils generally?—I mean petroleum chiefly.

4154. Is there not a large quantity of home-made mineral oil which comes from Liverpool?—No; we have large parcels from Wales.

4155. But you get it through a Liverpool broker sometimes, do you not?—Yes.

4156. Do you find those mineral oils as dangerous as petroleum?—No, as a rule they are not so dangerous.

4157. The most dangerous parcels come from Liverpool, you say?—Yes.

4158. What is the lowest igniting point of those oils?—I have found them as low as the common temperature.

4159. What is that?—About 60 degrees.

4160. Vapour test or oil test?—That would be vapour test, and frequently 80 degrees to 90 degrees. I have known hundreds, I may say thousands, of barrels returned to Liverpool from London by railway, being refused by the London warehouses on account of the inflammable vapour.

4161. Mr. *Horsfall.*] But why should those dangerous oils come from Liverpool chiefly?—I believe they are much more lax there with regard to the standard for what the trade call a good merchantable oil than in London.

4162. *Chairman.*] What do you say that the standard is in Liverpool?—In London it is 100 degrees, in Liverpool some will have it 100 degrees, and others are satisfied to make it 90 degrees; there is a division in the trade.

4163. Is the 90-degrees oil cheaper than the 100-degrees oil?—It is not cheaper in the trade; it ought not to be cheaper; but the Liverpool oil is usually offered in the market at a lower price.

4164. Does that arise from the igniting point being lower?—I believe that it arises from the general repute of the oil in the market; I think it is on that account.

4165. Mr. *Lush.*] How do the warehouse-keepers know that they ought to send back the oil?—They have had it tested in every case.

4166. *Chairman.*] But are not samples sent forward to be tested?—Frequently it is sold without a sample; it is sold under the term of "good merchantable," whatever that may mean.

4167. The Liverpool people consider 90 degrees a "good merchantable" oil, while the London people do not consider it a good merchantable oil?—In Liverpool the trade is divided between 90 degrees and 100 degrees, whereas in London it is a settled thing that 100 degrees is a "good merchantable" oil.

4168. Have you heard of many accidents occuring from those oils with a low igniting point?—There have been many accidents in London, which have been, I believe, traced to mineral oils.

4169. Mr. *Laird.*] Do you know, as a fact, that they have been so traced?—I know it simply from reading the reports in the newspapers.

4170. You

Mr. *W. C. Miles.*

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4170. You do not know it of your own knowledge?—No.

4171. *Chairman.*] How did the accidents occur in those cases?—In some cases while the oil was being poured into the lamp, and in other cases on the holding of a candle near the lamp, the vapour from the oil communicating with the light of the candle.

4172. That must have been oil with a very low igniting point, must it not?—It would, I should say, come below 100 degrees; but the brasses of the lamp in every case after the lamp has been burning get hot, and that would heat the oil in the pouring of it into the reservoir.

4173. Now, with regard to the inspection of retail shops, do you think that it would interfere very much with the trade if the oils were tested?—I should say not.

4174. Do you think it would do to insist that every person selling mineral oils should take out a license for doing so?—I am quite in favour of the view that everyone selling oil under a certain igniting point should only be allowed to do so by license.

4175. What igniting point would you fix?—I should say that no oil should be sold for burning purposes with an igniting point under a temperature of 120 degrees.

4176. Are there not very many safe oils sold now under a temperature of 120 degrees?—It may be so. But in an experiment only this morning I found the brasses of one of the lamps heated up to 119 degrees on applying the thermometer to the outside of the brass.

4177. Was that lamp burning in the ordinary way?—Yes, in the ordinary way.

4178. Are you sure that your thermometer was right?—Yes, I had had it tested. After burning one or two hours in different lamps, the experiments ranged from 68 degrees to 92 degrees in the reservoirs.

4179. Of what material were the reservoirs of the lamps made?—Of opal glass.

4180. Were they all the same material?—No; two of them were made of tin.

4181. Were those higher or lower?—There was very little difference; one of them was 94 degrees; that was the highest.

4182. Did you say that you sold the spirit produced from these oils?—I do not keep it.

4183. Has your trade increased very largely of late years in those oils, or have you been selling more than usual?—No.

4184. Have you been selling less?—Rather less, I believe.

4185. How do you account for that, when the oil is so much cheaper; is not the consumption greater?—The consumption is much greater; I must qualify that in this way: I am referring to my own business, of which I gave you the quantity; my retail business is not quite so much, but it has increased in the wholesale trade.

4186. Do you find any difficulty in competing with other dealers in London?—Yes.

4187. In what respect?—I believe there are people who are very careless about what they sell, whether they sell oil or spirit, or a mixture, so long as it is good in appearance and has very little smell, and they can get it a little cheaper.

4188. But the public prefer that oil, do they not?—They know nothing of the igniting point of the oil and its danger.

4189. On what quantity does the present Act insist as the limit of what a dealer may have at one time?—It allows him to keep a stock of 40 gallons that will ignite at a temperature below 100 degrees, but the quantity above that point is unrestricted.

4190. Forty gallons would be about one barrel, would it not?—It is more than that.

4191. About eight gallons more, is it not?—Yes.

4192. Do you think that 40 gallons is a very safe quantity to have in a retail shop at 100 degrees?—Not below 100 degrees.

4193. You think that there would be no great restriction on your trade in having people appointed to test the oils properly, with regard to their igniting points?—I should say if it were put into the hands of the police it might be very unpleasant to have those gentlemen in uniform walking in.

4194. But we have an inspector of weights and measures?—Yes.

4195. Do you think the dealers in such oils would object to a similar officer?—I should think not.

4196. Do you find in your experience that these oils are very much used by the poorer classes?—Yes, to a very large extent.

4197. More than any other oils I mean?—More than any other oils.

4198. They are less mindful of the quality of the oil than people in better circumstances?—Yes.

4199. The low price is a temptation to buy them in preference to oils of a high igniting point?—They never entertain the question of igniting point at all, I believe.

4200. They look at the cheapness, you think?—They look at the cheapness; the points of preference with poor people as a rule, are confined to price, colour, and smell.

4201. You would say that mineral oils generally may be called the poor man's light at the present day?—Decidedly.

4202. Lord *Richard Grosvenor.*] If you have a dangerous oil, to make it safe you must pass it through the still again?—Yes.

4203. Can you give the Committee an idea of the expense per gallon of doing that?—I have heard that it would cost about 2*d.* per gallon to rectify the oils at present in the market, including sundry charges attending removal from the wharf, &c.

4204. Therefore the expense would not be very great?—No, not much.

4205. It would not be a great hindrance to the sale, you think?—No.

4206. Mr. *Lanyon.*] How much is a gallon worth?—The present market price is about 1*s.* 3*d.* per gallon; sometimes it is as high as 3*s.* 6*d.*

4207. *Chairman.*] Would it cost 2*d.* per gallon to take more of the spirit out?—I cannot speak to that from actual knowledge; that is what I have been told.

4208. Lord *Richard Grosvenor.*] Has your attention been called to the Welsh oils at all?—Yes.

4209. They have passed through your hands, have they not?—Yes, several of them.

4210. Is the smell objectionable?—Yes; that is why people prefer petroleum oil to paraffin oil; but they have very considerably improved lately.

4211. The process of distillation does remove the smell, does it not?—Yes.

4212. To remove the smell you start with the vapour of the oil at a firing point of 130 degrees?—Yes.

4213. There

4213. There is no occasion to pass that through the still again, except to remove the smell, it being already safe?—Yes; no occasion.

4214. The manufacturing price of the Welsh oils is higher than that of the American petroleum, is it not; the cost is higher?—Yes.

4215. Are you aware that Welsh oils are sent out to America, and re-imported into this country?—I am not aware of that.

4216. Mr. *Beach.*] What precautions would you suggest in the storing of this oil?—I should have it stored away from every other article in the wharves.

4217. But taking the case of private warehouses, do you think it is necessary to have them particularly fireproof?—No, not at all; if you have a high igniting point it is not necessary at all; with an igniting point of 100 degrees, you can dip a lighted match into the oil and it will not ignite.

4218. Mr. *Laird.*] Do you know what the fire insurance companies charge on petroleum?—I have paid as low as 5*s.* 6*d.* myself; at present I pay 10*s.* 6*d.*

4219. Is the rate higher than the rate on other oils?—No, not higher than the rate on other oils generally in private warehouses.

4220. There is no additional premium for petroleum?—Yes, I have heard of as much as 3*l.* 3*s.* having been asked at a public wharf.

4221. Are you aware that in Liverpool, where there are large quantities of petroleum, the rate of insurance is the same as on other produce?—I am not.

4222. Do you know anything of the marine rate of insurance of petroleum from America to England?—No, I do not know anything about it.

4223. I think you have stated that you were not aware of any accidents that had occurred from petroleum?—What I know is simply from having read the reports in the newspapers, and I attended an inquest in one case.

4224. *Chairman.*] What was the result of that inquest; what was the verdict of the jury?—"Killed through the explosion of a paraffin lamp."

4225. Mr. *Laird.*] If you were told that the rate of marine insurance from America to this country was the same as on other goods should you think the underwriters had any doubts of the safety of the oil?—I should say not, if that were so.

4226. Mr. *Lanyon.*] What was the price of ordinary oils before the introduction of petroleum?—Colza oil had been sold retail at 4*s.* 6*d.* per gallon; paraffin oil on its first introduction was sold at about 3*s.* 2*d.* per gallon.

4227. Paraffin oil is cheaper than petroleum, is it not?—Yes, paraffin oil is cheaper than petroleum; as a rule there is a difference of between 2*d.* and 3*d.* per gallon, wholesale price.

4228. *Chairman.*] What is the price just now of petroleum?—The price of petroleum just now is 1*s.* 3*d.* for a first-class article.

4229. Is that refined oil?—Yes; 1*s.* 2*d.* and 1*s.* 3*d.*

4230. Lord *Richard Grosvenor.*] What is the price of crude petroleum?—Somewhere about 5*d.* per gallon, I should say.

4231. *Chairman.*] Those are retail prices, I presume?—No, wholesale prices. The price of American crude petroleum is 10*l.* per ton.

4232. Lord *Richard Grosvenor.*] What is the price of the crude Welsh oil?—I think the last quotation I had for a few hundred barrels of crude oil was sold as low as 3*l.* 10*s.* per ton.

4233. Was it Flintshire oil?—I suppose so; it was Welsh.

4234. Mr. *Tite.*] Apart from the supposed or actual danger of using refined petroleum, does it give as good a light in burning and is it as economical as its relative price suggests that it is?—Yes.

4235. For 1*s.* 3*d.* I can get as much light from petroleum oil as I can from colza oil for 4*s.* 6*d.*?—I believe that you can get much more light, and a gallon of that oil will go much further than colza oil.

4236. Mr. *Lanyon.*] Colza oil is much used by the different railway companies, is it not?—I believe so.

4237. Do you sell much of the petroleum or the other descriptions of mineral oils to the railway companies?—Not to the railway companies, but some of them use petroleum.

4238. Mr. *Tite.*] The colza oil comes from Belgium and France, does it not?—Yes.

4239. Mr. *Turner.*] You say that the more dangerous oils come to Liverpool, and the less dangerous to London; how do you ascertain that fact?—From what I have seen of it.

4240. Have you any statistics to prove that?—I have tested a number of parcels myself. I have tested samples which I have procured of Liverpool oils, and have found them always ignite at a temperature below 100 degrees.

4241. Had you any personal knowledge that those oils were Liverpool oils?—I have had them direct by railway.

4242. But the parcels which you received might be dangerous oil, and other parcels might be perfectly good?—I have never seen but one sample of petroleum that came from Liverpool that stood a high test.

4243. Mr. *Tite.*] You have stated that you have known large quantities of oil to be sent back to Liverpool by railway as not being "good merchantable" oil in the London acceptation of the term?—Yes.

4244. Mr. *Turner.*] That arises from this cause; that 90 degrees to 100 degrees is the Liverpool standard, and 100 degrees is the London standard?—Yes.

4245. If anything was sent to London below 100 degrees, it would be returned by the London dealers?—Yes, as a rule; but of course there would be exceptions.

4246. Do you know the relative proportions of the trade between the United States and London, and the United States and Liverpool?—I believe that the larger quantity goes to Liverpool.

4247. But taking trade generally, and the mere number of import vessels, are you not aware that the trade between the United States and Liverpool very vastly exceeds the trade between the United States and London?—I could not speak from my own knowledge on that point.

4248. Supposing that to be so, would not that account for a larger proportion of petroleum coming to Liverpool than to London?—I should say not.

4249. But suppose the freight at Liverpool was lower, would that account for it?—That might in some measure account for it.

4250. If there were greater facilities for sending parcels of oil between the United States and Liverpool than between the United States and London,

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London, would not that account for the larger quantity coming to Liverpool?—It would in a measure, but I think not entirely.

4251. Are you sufficiently acquainted with the trade to be aware whether, in fact, the petroleum, or other mineral oils, coming from the United States are ever tested on their arrival either in Liverpool or in London?—Yes, frequently.

4252. Are they tested on the quay?—No, not on the quay.

4253. In the warehouses you test them, of course; but that is a different thing; are you aware whether, in fact, the oil is ever tested on the quay?—I have never known any samples tested on the quay, but I have had samples brought to me from the ships.

4254. Therefore, in fact, you have no data from which you could possibly say whether more dangerous oils come to Liverpool than London?—Only from the samples which I have had up by rail, and from information. Many samples have been submitted to me by representatives of Liverpool brokers and merchants, of oil said to be stored in Liverpool, and which has been, without exception, under our test of 100 degrees.

4255. Lord *Richard Grosvenor.*] You had no reason to doubt that they came from Liverpool?—Just so; I had the railway way-bills with them.

4256. Mr. *Turner.*] Is there any particular reason, according to your judgment, why a more dangerous description of oil should be sent from the United States to one port rather than to another?—I believe it arises simply from the laxity of the trade as to the igniting point in Liverpool, and the better facilities given for storage in Liverpool.

4257. But when you speak of the laxity of the trade in Liverpool, are you aware whether it is, in fact, more lax in Liverpool than in London; do you know that of your own knowledge?—As a question of trade, I do.

4258. Have you ever imported any oil yourself from the United States?—Yes.

4259. Have you imported both to London and Liverpool?—No, to London only.

4260. What examination did the oil undergo before you were allowed to take it away from the quay?—I simply had a sample drawn.

4261. But what restriction was put on you; could you, if you had pleased, have taken it away from the quay without any examination?—Yes.

4262. If anyone chose in London to import crude oil, and to take it away from the quay, there is nothing to prevent his doing so, is there?—No.

4263. Though you speak of the laxity of the trade in Liverpool, inducing people to send dangerous oils to Liverpool, rather than to London, the fact is, that there is no restriction at all in London, and therefore there cannot be less in Liverpool?—There is more strictness in the London trade.

4264. I am not speaking of the custom of your trade, but with regard to the Customs authorities, and the public regulations; there is no restriction in London to prevent your bringing in oil of any description, and taking it away from the ship?—I know of none.

4265. Then, if there is none, there cannot be less in Liverpool?—Certainly not.

4266. With regard to the accidents that you have spoken of, have they been in retail or wholesale warehouses?—In retail warehouses.

4267. Are you aware of any accidents having taken place in wholesale warehouses?—No.

4268. Neither in Liverpool nor in London?—I do not know of any.

4269. You spoke, I think, of the danger that existed with regard to petroleum oil, from the fact that a large quantity of crude petroleum is stored near the City of London?—It used to be; I gave that as the cause of the Act of Parliament being passed.

4270. That is not so now, is it?—No.

4271. Are you aware of the nature of the warehouses which are now, by the municipal regulations of Liverpool, obliged to be used in the storage of petroleum?—No.

4272. We have had it in evidence that they are of a very perfect nature?—I do not know.

4273. Are there any municipal regulations in London which say that petroleum shall only be stored in a certain description of warehouse?—I do not know of any.

4274. If in Liverpool there are municipal regulations to the effect that petroleum shall only be stored in a certain description of warehouse, which has been constructed for the purpose of safety, and if there is no such regulation in London, I suppose you would consider that petroleum might be more safely stored in Liverpool than in London?—Yes, so far as the municipal authorities are concerned.

4275. So far as the warehouses are concerned?—Yes.

4276. Mr. *Horsfall.*] You have never imported petroleum into Liverpool, you say?—No.

4277. What you have imported has been into London?—Yes.

4278. Have you ever purchased in Liverpool from the importers through the broker or from the dealers?—I have purchased from Liverpool brokers and merchants, too; but whether they imported the oil or not I do not know. I only know that it was American oil from the brand.

4279. Have you ever had occasion to return the oil which you bought in any instance as unmerchantable oil?—No; with the exception of one parcel, which came into warehouse here, all my purchases through Liverpool brokers have been tendered off on contract, sometimes differences paid; and in some cases oil laying in London has been delivered, instead of sending from Liverpool.

4280. You merely speak from information?—No; I have had samples sent up at various times, and I have refused to buy after testing them.

4281. You think that it is desirable to test all the petroleum on the quay?—I think it is desirable to test it on arrival in some way.

4282. That would obviate the necessity of inspecting the oil in retail shops, would it not?—I think not; inasmuch as a considerable quantity of oil is manufactured in this country, and the examination of the oil on arrival would only refer to American oil.

4283. But would it not obviate the necessity of inspecting the tested oil in retail shops if it were marked on its arrival?—I think not.

4284. Mr. *Turner.*] With regard to testing two or three casks from each brand, sometimes the same brand may be on 1,000 casks, and sometimes only on 50?—Yes; in that case testing would be done approximately.

4285. Therefore it would not only be necessary to test each brand, but a certain proportion of the quantity in each brand; one cask in five, for instance?—Yes, something of that kind. In large

parcels

parcels I should think one in 50, or 25, would be sufficient check.

4286. Mr. *Horsfall.*] In speaking of the storing of petroleum in the London warehouses, I think you stated that in some of the warehouses jute also was stored?—Yes.

4287. Is not that very dangerous?—Yes.

4288. Is there no regulation against that under the previous Act of Parliament?—I believe that the Act would apply in that case.

4289. Mr. *Lusk.*] Where are those articles stored together?—At the Plaistow Wharf; that is in a marsh.

4290. Is it notorious in the trade that the oil which comes from Liverpool is of the character that you have indicated?—Yes.

4291. Tea comes from China, does it not?—Yes.

4292. But you never saw it grown there, I suppose?—No.

4293. In the same way you believe that the bad oil comes from Liverpool?—Yes.

4294. You have imported these oils yourself?—Yes.

4295. Are the oils gauged on the quay?—They are gauged on the wharf.

4296. Just the same as any other goods?—Yes.

4297. Is that done by the dock gauger?—It is usually done by the wharf gauger. At some of the wharves a gauger is kept on purpose to gauge on import and delivery; at others, some well-known gaugers are employed as required.

4298. The Customs do not allow the casks to pass without examining what they are, I suppose?—I do not know of any interference with them whatever.

4299. But the Act of Parliament, which requires the igniting point to be 100 degrees, is not carried into effect, apparently?—I suppose there is nobody to look after it, simply because the Custom House officers do not at present know how to test oils.

4300. How do you know the fact?—I have known many parcels of the kind.

4301. In the docks?—In the docks and in the wharves.

4302. A wharf is private property, as you are aware; do you mean the docks or the wharves?—I mean private wharves chiefly. There is only one dock that will receive petroleum for storing, the Victoria Dock.

4303. Does not that Act of Parliament come into operation in all those cases if anybody likes to inform?—Yes.

4304. But it would be very dangerous for you to try it, I suppose?—I would not do it.

4305. You think there is danger?—Yes.

4306. The municipal authorities here do not meddle with other people's business at all?—No.

4307. The docks are the properties of private companies?—Yes.

4308. And every man looks after his own affairs?—Yes.

4309. Suppose you fixed the igniting point at 120 degrees, would that advance the price to the poor?—Very little; it might make a difference of a few pence per gallon.

4310. That is a good deal on 1*s.* 3*d.*, is it not?—But a little more than 12 months ago it was 3*s.* 9*d.*; it fluctuates in consequence of speculation; the average price would be 2*s.* 6*d.* per gallon.

4311. Who consumes all this oil?—It is chiefly consumed among the labouring classes.

4312. I thought that gas was used in most houses?—No, I think not.

4313. I suppose it is the cheapest light that they can get?—It is much cheaper than any light that I know of.

4314. Mr. *Laird.*] Do you know anything of the comparative quantities of petroleum imported into the continent and into this country?—I have not got the statistics with me. I could give you the quantities afloat and loading for several of the continental ports; I may add that on the 20th of May there were reported: For Liverpool, afloat, 6,380 barrels; loading, 5,200. For London, afloat, 7,120 barrels, and loading, 7,800. For outports (to call for orders, part of which may possibly be sent to the continent), 18,682 afloat, and 32,530 loading.

4315. What is the igniting point on the continent; in France, Belgium, and Germany, for instance?—I have never heard of their being at all particular there.

4316. You are not aware that it is 90 degrees?—I am not.

4317. If the regulation in this country is that it is to be 100 degrees, is that evaded in consequence of there not being a proper officer to examine the oil on its arrival in London?—I believe that is so.

4318. Do you think that there have been more accidents from lamps since petroleum was introduced than there were before, or the reverse?—I believe that there have been more accidents.

4319. You cannot speak positively on that point, I suppose?—I cannot.

4320. *Chairman.*] Just one more question: are you aware of there being a Local Petroleum Act in Liverpool?—I am not.

4321. The Committee have been informed that there are no municipal regulations in London with regard to testing the oil as it comes into this country, and you state that, as far as you know, there are no municipal regulations in Liverpool?—Not so far as I know.

4322. But would you advise that there should be not only municipal regulations, but some Imperial regulations for testing the oil as it is imported into this country?—I should advise that.

4323. You are of opinion that that would be an advantage to the importer, and conduce to the safety of the public also?—I think so, decidedly; I am almost surprised that we have escaped some serious conflagration in London.

4324. On account of the want of some such regulations?—Yes.

4325. But even supposing that you had such regulations, would it not be quite practicable to have different warehouses for storing the petroleum and mineral oils generally of different igniting points?—Yes, I believe so.

4326. It does not follow that, although the oil imported should not be of the legal igniting point it should be sent back to America?—Certainly not.

4327. But some mark should be put on it to indicate that it is not of the legal igniting point, so that the public may not be deceived with regard to its quality?—I should say so.

4328. Lord *Richard Grosvenor.*] Is colza oil ever adulterated with petroleum?—No.

4329. It is impossible to do that, I suppose?—I think so.

4330. *Chairman.*] Is there anything that you would wish to add to your evidence?—I think not.

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4331. *Chairman.*] What is your official position?—I am Chief Officer of the Metropolitan Fire Brigade.

4331*. You gave evidence in the year 1862 before the Select Committee on Fires in the Metropolis, did you not?—I did.

4332. Do you adhere to the evidence given then?—Yes. I do not remember any part of that evidence that requires to be altered; there is a great deal to add to it.

4333. With regard to your position as superintendent of the Fire Brigade of London, have your recent duties increased or differed as compared with those which you mentioned to that Select Committee?—Not very materially; my duties have been enlarged in many ways. I mean in the shape of duties to be attended to, the number of men, engines, stations, and so on; but in the actual working of the system there is no very material alteration.

4334. There has been a very large increase of the brigade, has there not?—Yes, very large.

4335. Perhaps you will be able to give the Committee some account of the origin of the Fire Brigade, and of the arrangement generally for extinguishing fires in London?—I should propose, if it were convenient to the Committee, to divide my evidence principally into three parts; one relating to the past, one relating to the present, and one relating to the future, or the state of things that we are getting into now. Considering the immense mass of information that I have at my disposal, it is exceedingly difficult to select such portions as will be interesting to the Committee; but I have endeavoured to pick out, first of all, the state of things as they existed under the old Building Acts; secondly, the Water Acts; and then the general working of the system for extinguishing fires in London.

4336. First of all, with regard to the Building Acts, will you kindly give the Committee some detailed information with regard to those Acts of Parliament?—There have been altogether, up to the present time, in London, 14 Building Acts, or Acts chiefly relating to buildings in connection with fires. Up to the present time, including the present Metropolis Building Act, there have been 14 Acts passed since the year 1667. The first Act was passed in the year after the Great Fire of London, that is to say, 1667; that is the first of the Building Acts that I can trace. The principal points taken up in that Act were the materials and forms of buildings, with regard to which they seem to have gone very soundly to work. That Act divided the whole of the buildings of London into four distinct classes, according to the size of the streets, giving to the Lord Mayor and Corporation power to declare which were streets, and which were lanes, and consequently, to name which class the houses belonged to. In one of the clauses of that Act, there is a very good provision to have the burden of every house supported on an arch, made with brick or stone, either straight or circular. In that point, and many others, there are great differences between the system of building then and the present system of building. That Act would have effectually prevented buildings, the corners of buildings especially, being erected on metal columns alone, which they are at present. The next point in that Act is with regard to party-walls; they seem to have stopped short at the roof. Your recent Acts of Parliament make them go through the roof. In the old party-walls they also arranged that the thickness should be at least 18 inches, two bricks length, the bricks being nine inches long. They also arranged that the houses should not exceed four storeys. Now, in all those points it will be found that that Act of Parliament differed very materially from those which followed. That Act seems to have been passed rather in haste, and I should say in a sort of panic, because, though they have gone into detail about some important things, they have stopped short of many material points connected with those things. In the clauses relating to building they have a clause ordering that a commemorative pillar should be erected in connection with the fire, and other things, showing that their whole attention was not fixed on the subject of construction. They have also a clause in that Act to make a Thames Embankment 40 feet wide from the Tower to London Bridge, and from London Bridge to Temple Stairs. The next Act was only three years later; it was called an Additional Act for rebuilding the City of London, uniting the parishes, and rebuilding the cathedral and parochial churches within the said City. That chiefly deals with legal matters; but there are one or two clauses on structural details; one is with regard to the dimensions of corner piers of buildings, and it mentions that each building shall be supported at the corner by a substantial post of oak timber. How they afterwards came in other Acts to omit such a precaution I cannot conceive. They also repeat the clause about the Thames Embankment in that Act. The next Act is in the year 1707, called "An Act for preventing the Mischiefs that may happen by Fire." There was also mixed up with it the question of water for fires, and it provided that the party walls shall be built from the foundations to the top, and that there shall be less timber in the roofs of the houses. This seems to be in some measure the foundation of the existing Act of the 18 & 19 Vict. chapters 120 and 122. In that Act we have the first notice about laying down pipes, fire plugs, and so on, and also the first notice of rewards to engines for turning out, and instructions to the parishes to keep engines. In that Act there is a very peculiar provision, or which at all events seems so in this country; that is to say, power is given to constables and beadles to run immediately to assist at fires, and to order the people who were there to assist in working the engines. The next Act we come to is the 7th of Queen Anne, in the year 1708, which was called "An Act for making more effectual some of the Provisions of the previous Acts." There are scarcely any provisions in that Act which are of much importance, except the fact that it is the first in which we find party-walls ordered to go through the roof; it relates to the powers of the churchwardens, and makes exceptions in favour of the houses on London Bridge; and there are provisions with regard to turpentine, oil, and so on: but the principal provision is, that it makes the party-walls go 18 inches above the roof of the house.

4337. Every party-wall?—Yes, every party-wall. I ought to have said that in that last Act there is one other precaution; that is to say, that no

no brick or stonework should be erected over woodwork. If that Act had been continued in force it would have prevented several of the most dangerous buildings constructed in London, which have walls supported on iron or wood, as the case may be. The next Act of any consequence is the Act of the 11 Geo. 1, passed in the year 1724, "An Act for the better regulating Buildings, and to prevent Mischiefs that may happen at Fires within the Weekly Bills of Mortality, and other Places therein mentioned." This Act is very much a repetition of the provisions of the previous Act; it chiefly relates to builders, and puts penalties on them for neglect, in cases of party walls. The next Act of any consequence has exactly the same title, and was passed in the year 1764. There is nothing in it of any great importance to the Committee; it lays down that no bricks shall be otherwise than good and sound burnt bricks; but it seems not to lay down any referee or authority to whom it could be referred to decide whether the bricks were really good and sound burnt bricks or not. There can be no doubt that at that time when the demand for bricks was enormous, houses were built with very inferior bricks. Some of the houses now being pulled down for the new street by the Metropolitan Board of Works are constructed of bricks which I conceive are made of the best possible materials, but badly baked, and put up in a hurry, and in consequence they have softened in time, and they have only been kept together by there being so many of them there. The next Act, which is rather an important one, is the 6th of George the Third, chapter 37, passed in the year 1766, "for the better regulating of buildings, and to prevent mischiefs that may happen by fire within the weekly bills of mortality." The peculiarity of that Act is that it repeals several very good enactments passed two years previously; for instance, the 4th of George the Third provides that no timber shall be let into party walls except timber girders and binding joists, and that no timber of the roof shall be let into such party walls (these are the clauses of the previous Act, which are repealed): "That the sides of the joists should be at least 14 inches distant from each other, with solid brickwork between." It then goes on to say, "Whereas it is found by experience that the several rules, regulations, and directions hereinbefore recited are inconvenient, and no means of preventing the spreading of fires;" and then it proceeds to say, that "after that time the lengths of the girders and binding joists shall be distant nine inches instead of 14;" and it allows the introduction of "necessary bond-timbers." The next Act was the 12th of George the Third, chapter 73, passed in the year 1772, which was "An Act for the better Regulation of Buildings and Party Walls within the Cities of London and Westminster, and for the better preventing of Mischiefs by Fire in the said Cities." There is very little in that Act which is important to the Committee. The next Act is the 14 Geo. 3, c. 78, passed in the year 1774, which was "An Act for the further and better Regulation of Buildings and Party Walls," and so on. This Act continued in force about 70 years, and was then, in the year 1844, repealed by the 7 & 8 Victoria, c. 84 (the Metropolis Building Act), with the exception of certain sections which related to fires, that is to say, from sections 74 to 86 inclusive, with the exception of section 79. All those clauses related to fires, and they continued in force until the passing of the present Metropolitan Fire Brigade Act. The next Act connected with buildings, is an Act authorising the use of an article called "John's Tessera" for roofing houses. This article seems to have been composed of limestone or other stone powdered, with a sufficient addition of tar or other bituminous substance, mixed by the application of considerable heat and powerful machinery. How such an Act came to be passed I cannot conceive, because the composition had so much bitumen in it that it must have formed a most dangerous roof, but I know nothing of the thing myself. The next Act is the 7 & 8 Victoria, c. 84, regulating the construction of houses, buildings, and so on (the Metropolis Building Act). This Act refers almost entirely to construction and legal details. It is of no importance with regard to fires, except that in dealing with a previous Act of Parliament, 14 George 3, c. 78, it does not repeal those provisions which relate to fires. The next Act is the 9th of Queen Victoria, chapter 5, passed in the year 1846, called "An Act to amend an Act for regulating the Construction and Use of Buildings in the Metropolis and its Neighbourhood." This is all about referees and contains nothing structural. The next Act is the 18 & 19 Victoria, c. 120 (the Metropolis Local Management Act). This Act appoints the Board of Works. It has nothing in it about fires, except as showing the authorities to which the future regulation of buildings is delegated. We next come to the 18th & 19th Victoria, chapter 122 (the "Metropolitan" Building Act), passed in the year 1855, and which is now in force. There are also Acts of Parliament relating to the London Docks, and exempting them from many of the provisions of the General Act. There is also the Town Police Clauses Act of 1847, which has very many important provisions about fires, but it does not refer especially to London.

4338. That applies to the whole country?—Yes, it applies to the whole country, and I presume it is excluded from London. There is also an Act passed in the year 1833, the Lighting and Watching Act, which contains very many provisions on this subject.

4339. That is general also?—Yes, it relates to parishes in England and Wales.

4340. It does not extend to Scotland, does it?—No. This is a most important Act in country places, inasmuch as it gives the power of providing fire engines. There are some general Acts of really very great importance connected with the country, not relating to the metropolis alone. Concerning flues and chimneys; the 4th and 5th William the 4th, chapter 35, on the subject of chimney sweepers and chimneys, was passed in the year 1834. There are in that Act most important clauses on the construction of chimneys, but the greater portion of the Act is concerning chimney sweeps rather than chimneys. Many of the regulations laid down in that Act with regard to the construction of chimneys are amended in the 3rd and 4th Victoria, chapter 85, passed in the year 1840. Then there is the Local Government Act, which has a good deal to do with the question; the 21st and 22nd Victoria, chapter 98, passed in the year 1858. This Act chiefly refers to sanitary matters, but it incorporates in it, among other matters, those clauses

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relating to fires in "The Town Police Clauses Act, 1847." It has nothing specially to do with London, but it is a most important Act in connection with the country generally, inasmuch as many engines are kept under the authority of this Act. There are no more building Acts that I can find, but there are two or three Acts connected with the subject, such as the Gunpowder Act, passed in the year 1860; the Petroleum Act passed in the year 1862, and amended by "The Nitro-Glycerine Act, 1866."

4341. Those Acts are general, are they not?—Those Acts are general. Lastly, there is the Act for establishing the Fire Brigade in the metropolis, which was passed in July 1865, under which the Metropolitan Board of Works keep the present Fire Brigade; but that is hardly, perhaps, within the same category. I will now proceed to show the Committee the line which the Water Acts have taken. The chief point to call attention to in connection with the Water Acts, is that from the year 1571, when they first commenced to bring water into London, up to the year 1852 there were no less than 27 Acts of Parliament passed referring solely to London, and every one of those Acts, without, I believe, any exception, was made at the request of the water companies. There are in certain parts attempts made to put restrictions upon the water companies, and to bind them down to certain terms, in consequence, I presume, of their obtaining a monopoly of bringing in water; but the whole tenor of the Acts is that they take good care of the water companies in every possible way; they take care of their money, and they also take care to give them powers, and really not to bind them in many particulars at all. Other Acts have since been passed, and up to the present time the Kent Water Works Company, for instance, has had five Acts; the Chelsea Water Company has had two Acts; the Southwark and Vauxhall Water Company, two Acts; the East London Water Company, two Acts; the New River Water Company, eight Acts; the Grand Junction Water Company, eleven Acts; the Lambeth Water Company, four Acts; and the West Middlesex Water Company, four Acts, making altogether, up to the commencement of the present year, no less than 38 Acts of Parliament specially referring to the supplying of water for London by private companies. I presume that the Committee would hardly wish me to go in detail through the whole of those Acts of Parliament, though I am quite prepared to do so, and to explain the course which legislation has taken on the subject. It seems in all the old Acts never to have been thought of to have water in the streets for the extinction of fires, and the way I ascertain that is this: they seem to have had in all the ancient Acts a clause prohibiting the throwing of dead dogs, cats, and other animals into the water, from which I conclude that there was then no water under pressure, and that it was all in open drains.

4342. Mr. *Tite.*] When did the first provision arise, compelling the water companies to provide water for fires; do you think that it appeared simultaneously in several Acts of Parliament?—No, there are no two Acts passed together.

4343. Mr. *Lanyon.*] Is there no general Act making it obligatory on all the water companies now?—Yes, there is the Metropolis Water Act, passed in the year 1852, which deals with that question in a way that may come before this Committee with advantage, perhaps. When water was first brought into London, it was evidently brought for the profit and advantage of the company, and for drinking purposes, and for the carriage and conveyance of merchandise upon it, showing that it must have been in open canals, and not enclosed within pipes.

4344. Mr. *Tite.*] That is the New River Act?—That is the New River Act; no mention whatever is made of fires in that Act of Parliament, except under the general head, "Divers and sundry profitable, commodious, and beneficial effects which are likely to ensue." In addition to those private Acts, there is a general Act, passed in the year 1845, the 8th Vict. c. 16, called "The Companies Clauses Consolidation Act." It is chiefly about capital and legal matters, but it ties up the companies, and they remain under that Act. In the year 1846 there was an Act passed for bringing water into the town of Bristol, called "The Bristol Waterworks Act." In the year 1847 came the Waterworks Clauses Act. The Waterworks Clauses Act does not specially refer to London; it might be a very good Act in its way, but it seems to acknowledge in every way the rights of individuals, and makes very little provision for the protection of the public. Besides limiting the dividends of the companies, I do not think it is an Act which has done very much good.

4345. *Chairman.*] Does it say nothing about water for fires?—Yes, but it protects the companies to an immense degree; the 35th section says, that there shall be "a constant supply of water, to be kept for domestic purposes, at high pressure." Then, by the 38th section, it lays down the rules for the water company "to affix public fire plugs in mains." It says, "The undertakers, at the request of the Town Commissioners, shall fix proper fire plugs in the main, and other pipes belonging to them, at such convenient distances, or, if no distance be prescribed, not more than 100 yards from each other, and at such places as may be most proper and convenient for the supply of water for extinguishing any fire which may break out within the limits of the special Act."

4346. What are those limits?—A special Act, it seems to me, need not incorporate within it the powers of this Act. If they wish them to be put in they must get this Act embodied in their Act.

4347. It is not compulsory on any private company to put in those fire plugs, is it?—If we had gone in detail through the Water Acts I could have shown you how those companies have got rid of what was to them, no doubt, an obnoxious clause.

4348. Will you be good enough to give the Committee one instance of that?—There was an Act passed in the year 1852, called "The Metropolis Water Supply Act," which was "An Act to make better provision respecting the Supply of Water to the Metropolis." This is a very useful Act in many ways for fires, and I only incidentally refer to it. It makes provisions for a constant supply of water by every company, but it puts so many restrictions on the private individuals who are going to have it, that it is quite inoperative. I think in that respect, that is to say, that if persons who own houses wish the water introduced, there are certain requirements. They must take an immense number of precautions

precautions within their houses, and then the water company is bound to provide high-pressure service and constant supply. There is no dead-dog clause showing that at all events it was not intended to allow any more water to be brought into London except within covered pipes. This Act chiefly refers to the nine companies which then existed in London, namely, the New River Company, the East London Waterworks Company, the Southwark and Vauxhall Water Company, the West Middlesex Waterworks Company, the Lambeth Waterworks Company, the Governor and Company of Chelsea Waterworks, the Grand Junction Waterworks Company, the Kent Waterworks Company, and the Hampstead Waterworks Company. The Hampstead Waterworks Company has since that time ceased to exist, having been amalgamated with the New River Company. The remaining Acts are chiefly legal. The Lands Clauses Consolidation Amendment Act, and the Companies Clauses Act.

4349. Mr. *Lanyon.*] Are all private Acts subsequently passed obliged to incorporate those Public Acts?—No, they are not. Take the Waterworks Clauses Act 1847; the 35th section of that Act says that there is "a constant supply of water to be kept for domestic purposes at high pressure." That section goes on to state that "such supply shall be constantly laid on at such a pressure as will make the water reach the top storey of the highest houses within the said limits, unless it be provided by the special Act that the water to be supplied by the undertakers need not be constantly laid on under pressure."

4350. That is wholly for domestic purposes?—Yes. Then I take the 15 & 16 Vict. c. 160, commonly called "The New River Company's Act 1852." In the 3rd section of that Act we find it is provided, "The Waterworks Clauses Act 1847, except the provisions with regard to communication-pipes to be laid down by the undertakers, and except section 35 in the said Act shall be incorporated with this Act"; that shows that as late as the year 1852 the companies were permitted to obtain new Acts of Parliament without the high-pressure service clause. This is not peculiar to the New River Company, and I have mentioned it in connection with them only, because I happened to have the New River Act in my hand when the question was asked.

4351. *Chairman.*] Was it practicable in that case to get the high pressure easily?—I think it was; but of course I do not profess to know the company's affairs. There was another clause which is worth attention in this Act of Parliament, namely, the 36th clause of the 15th & 16th Vict. c. 160. It says that the expression "high service in this Act shall mean and be considered as being the delivery of water at an elevation of more than 10 feet above the ground floor of such dwelling place, or other place supplied." Now, it will be found in many of the recent Acts also that 10 feet is the point of high pressure above the level of the street.

4352. Have you anything to add on that particular point?—I do not think there is anything in any Act of Parliament which I have seen that really binds the companies to do very much for the public; as a matter of fact they do so. The efforts they have made to meet the public emergencies have been amazing; they have spent money, and done everything that they possibly could do to supply a sufficient quantity of water whenever a fire occurs (I only speak of the Metropolitan Water Companies); but I do not think that in their Acts of Parliament there is to be found one binding clause to that effect; they have done it, however, and in a way they have done it well. I only call the Committee's attention to that fact to show that the supply of water in London, in cases of fires, has been mainly owing to the generosity of the companies.

4353. Mr. *Tite.*] So far as you know, there is no power of compelling a sufficient supply of water, but the companies have supplied you with sufficient water on being required to do so?—Not quite what is required, but what they could get where they have good mains and can supply a large quantity; and they will make any effort; but my reading of it is, that they do that as a matter of generosity.

4354. Lord *Richard Grosvenor.*] There is a clause under which the companies are forced to supply water for the Fire Brigade?—Clearly.

4355. Mr. *Kinnaird.*] Your evidence, so far as it has gone is, that so far from having any complaint against the companies, you speak of assistance rendered by them as being most praiseworthy?—Yes; that observation applies to all the Metropolitan Water Companies. The efforts which they make on our behalf are quite wonderful. They have not the means of doing it properly, but they endeavour to do all that can be done under such a system.

Monday, 3rd June 1867.

MEMBERS PRESENT:

Mr. Agar-Ellis.
Mr. Gorst.
Lord Richard Grosvenor.
Mr. Kinnaird.
Mr. Laird.
Mr. Lanyon.
Mr. Lusk.
Mr. M'Lagan.
Mr. Read.
Mr. Turner.
Mr. Whitmore.

PETER M'LAGAN, Esq., IN THE CHAIR.

Mr. SAMUEL VANCE, called in; and Examined.

Mr. *S. Vance.*
3 June 1867.

4356. *Chairman.*] IN what capacity do you appear before the Committee?—I am Fire Inspector for the Northern District of Ireland.

4357. You reside in Belfast, I suppose?—Yes.

4358. How long have you been engaged as fire inspector?—Since 1858.

4359. But you turned your attention to fires in the year 1847, did you not?—Yes.

4360. In what capacity was that?—As an amateur.

4361. In the Fire Brigade?—Yes, just to go out with the fire engines. I have been at all the large fires in Belfast except three, since the year 1847.

4362. You were appointed as fire inspector in the year 1858?—Yes.

4363. What are the duties of the fire inspector?—To be at a fire as soon as possible, to ascertain the causes of the fire, to see the stock, and to take the necessary precautions to protect the insurance companies, either by removing the stock or by taking care that the salvage is not injured by water.

4364. By whom are you paid?—By a certain number of insurance companies; I represent this year 18 offices.

4365. You are appointed by them, I presume?—Yes; I am appointed by them for the purpose of detecting fraud if possible. There had been a large number of small fires in Belfast from about the year 1847, and I was selected as inspector because I had a fancy for the work.

4366. Your position is very similar to that of the Superintendent of the Salvage Corps in London?—Very much so.

4367. Are you connected with any particular insurance companies?—Yes, I represent the Scottish Commercial Insurance Company for the north of Ireland.

4368. You are agent for that office?—Yes.

4369. Your office of fire inspector is also very much the same as that of fire marshal in America?—Yes, very much the same; I have read of that. I report to the offices concerned my idea of the cause of fire, whether it is suspicious or in any way peculiar.

4370. Have you any connection at all with the police?—None, except that the police through courtesy give me every assistance that they can.

4371. In a case of suspicious fire, do you prosecute, or do you simply report to the insurance companies?—I report to the insurance companies, but in any case where we prosecute we find that they can get out of it, because we cannot name the party. I will give an instance: a fire occurred in a shop, under the stairs, and in the kitchen; there were three distinct fires not connected with each other; there were only two brothers in the house; we got the office to prosecute, but as we could not identify the parties who set fire to the house, the law would not punish the person who had the policy of insurance, although we had no doubt it was one of the two brothers; but one of them had no interest in it.

4372. Why did the law not punish him?—Because we could not prove the fact.

4373. You had very strong circumstantial evidence?—Yes, very strong circumstantial evidence, because the fire broke out in three distinct places; there were three fires lit at one time, and it was impossible for them to be connected, for there were solid walls between them.

4374. Is it your experience that there has been an increase of fires of late years in the northern districts of Ireland?—No, certainly not.

4375. Do you think there has been a large increase of suspicious cases of fire?—No, they have much decreased, I think, since my appointment.

4376. Could you give the Committee any idea of the proportion of fires of which the causes are unknown?—I have taken out 50 fires from my notes.

4377. In what year?—In the year 1865-66, the principal causes of 50 fires were as follows: defect in buildings, 15; connected with boilers and drying over and on boilers, 10; carelessness with lamps and matches, 8; connected with stoves, 7; unknown (smoking the presumed cause), 5; suspicious (to defraud insurance companies), 3; and to prevent discovery of theft, 2; making a total of 50 fires.

4378. You have only got five fires put down as

as suspicious?—No; but I think you might class the three last things together.

4379. The fifth part of the whole we may say were suspicious?—Yes.

4380. Lord *Richard Grosvenor.*] That is not the total number of fires that came under your notice, is it?—No, I only take 50.

4381. *Chairman.*] On what ground do you select those 50?—I took them from a certain period to a certain period, for I keep an account of the fires, the names of the parties, the offices insured in, and so on; that is, taking them in a straight line, on an average the number of fires in Belfast is about 37 a year; but I thought that 50 would be likely to compare with any number that you might have elsewhere.

4382. Fifty fires represent a year and a-half, in fact?—Yes, a year and a-half. We mark them suspicious when we do not discover the actual fact of the fraud for six months or 12 months, though we have strong suspicions.

4383. Mr. *Agar-Ellis.*] Those 10 fires you would call suspicious?—Yes.

4384. That is about 20 per cent.?—Yes, 10 per cent.

4385. *Chairman.*] What arrangements have you in Belfast for extinguishing fires?—We have a fire brigade of 20 men, four engines and tenders; it is a very good and efficient brigade.

4386. How many steam engines have you?—None.

4387. Have you any Local Act of Parliament there?—Yes, our Local Police Act gives us power to keep a sufficient fire brigade, with no limit.

4388. Does that Local Act of Parliament also insist upon having a proper supply of water for extinguishing fires?—No, the water supply and the fire brigade are under two different boards of management, and that is a very bad thing.

4389. Is it a private company that has the management of the water?—No, it is a public company.

4390. Is there a sufficient pressure in the pipes?—Not quite; but it is greatly improved lately.

4391. Mr. *Lanyon.*] There will be sufficient pressure in the course of another year, I suppose, when the water is brought in under the new Bill?—Yes.

4392. *Chairman.*] Are you aware whether, in that Act of Parliament for the new waterworks, there was sufficient obligation put on the company to have an adequate pressure for the purpose of extinguishing fires?—Yes, and a special fire main.

4393. From the new waterworks the pressure will be about 180 feet, will it not?—Yes.

4394. You would certainly not require any steam engines then?—No. There is a great difference of opinion about steam engines. I hold the opinion, speaking as an insurance agent, that they do more harm than they do good; it would often be more to the advantage of the office to let the fire burn on for 10 or 15 minutes, than to pour the water on to save the building and destroy the property.

4395. As much damage is done by the water poured on as by the fire itself, you think?—Frequently. Steam engines require very superior men to manage them.

4396. But you would require much fewer men?—Yes, but that one man who has charge of a steamer is a most important man, because if he puts on 100 tons of water where five tons will do, the damage is great.

4397. You would rather have a large number of small hand engines, than a small number of steam engines?—I am not prepared exactly to state that; but in case of a very large fire, for instance, a large mill, a steam engine would be very useful; but for a draper's shop, or silk or satin goods, with a fire on the second floor, the property in the shop would be destroyed by the water, whereas if you let it burn 10 minutes, and take the goods out, the value to the insurance companies would be saved, and the destruction to the building would be small.

4398. Have you any regulations with regard to public buildings in Belfast?—Nothing about the internal portion; they must be built of a certain height, which the town council settles.

4399. But there is nothing in any Act of Parliament about the party walls, beams not being laid under hearthstones, and so on?—None; and our fires are very frequent from those causes.

4400. Would it be an advantage to have some law applying to those matters?—I think so.

4401. You said that although you prosecuted a man you could not convict him?—The law is, that you must prove that the party set fire to the house.

4402. But when you have very strong evidence against a man, what would you propose as an amendment in the law?—I would allow the parties to lose their insurance.

4403. You would leave them to sue the insurance company?—Yes.

4404. That would be a civil action?—Yes.

4405. But would you not deal with incendiarism as a criminal act?—Yes, if you could prove it.

4406. Would you not propose to have some tribunal to inquire into such cases?—Yes; but it is almost impossible to prove the crime; you may take it before a magistrate, but if a man wants to set fire to his house, he can do it. In the case which I mentioned the persons did not get their insurance, the insurance companies would not pay them.

4407. Did they prosecute the company?—No.

4408. It lapsed?—Yes.

4409. Lord *Richard Grosvenor.*] Did they make any claim?—Yes.

4410. And the insurance company refused to pay it?—Yes.

4411. Leaving the onus of proof on the parties themselves?—Yes.

4412. Is that frequently done in Belfast?—No; the offices do not like to do it, as they say it injures their character, and I think it is injurious.

4413. *Chairman.*] Do you think that the companies are too lax in their business?—Yes, I think so; if they have any chance, I think they ought to prosecute the parties much more frequently than they do.

4414. Or to let the parties prosecute them?—Yes, or to let the parties prosecute them. That is much the easier course for the offices.

4415. You have no amendments whatever to suggest in the present law for the purpose of the discovery of incendiarism?—We have no power to ask any man to answer questions on oath. I would have an inspector for the purpose of trying to find it out, with power to examine parties upon oath.

4416. You would have a proper officer appointed?—My idea is, that there should be an inspector

Mr. *S. Vance.*

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inspector appointed with large powers to hold a private inquiry on every fire. I would have a private inquiry into the cause of every fire, and if the cause is ascertained to be a proper one, then drop it at once.

4417. Who would report on the fires to the fire marshal or inspector?—He would get the same information as I do when the fire-bell rings (I am forced to live within the sound of it). I get the information as soon as the fire brigade, and I am at the fire as soon they are.

4418. No person is bound to report to you, is he?—The police ring the bell.

4419. You would say that the police should be bound to report to you?—Yes, and then I go to the fire and see the cause. I can make my observations on the stock and then leave it to the fire brigade to put it out. The fire brigade inspector, if he sees anything going on during the fire that looks suspicious, sends one of his men for me to be on the spot.

4420. But suppose we make it compulsory, and an officer is legally appointed; would you summon a jury on the spot if that were done?—No, I would leave it until the following morning. I would lock the place up and allow no one to enter it, and when I got there in the morning I should be able to form an idea where the fire occurred, and the cause of it.

4421. If you found that the fire was not suspicious you would let the matter drop?—Yes.

4422. But if you found the contrary, what then?—I would place a detective there to see whether the goods were removed or not; if I saw empty boxes I would make private inquiries with regard to the late purchases of the parties, and various things of that kind.

4423. Then you would have a jury summoned?—I might do so; but that would give me sufficient evidence to go before a coroner or a stipendiary magistrate, who would be the best person in Ireland, I think.

4424. You would hand the case over to a stipendiary magistrate or the coroner when you had obtained sufficient evidence?—Yes; I prefer the stipendiary magistrate.

4425. You would hand it over to the stipendiary magistrates in preference?—Yes, because they have been barristers, and very likely they have been in the habit of sifting evidence.

4426. A stipendiary magistrate corresponds very much to what is called a sheriff in Scotland?—Yes.

4427. You would leave the case in his hands?—Yes.

4428. Who would be the public prosecutor; the insurance company, or who?—I am not prepared to say that, or where the expense should come from.

4429. Do you think that the insurance companies should bear a part of the expense?—I think they should pay a portion of the expense.

4430. The expense of prosecuting a man for the crime of incendiarism?—Yes.

4431. Do you think that it is right to get a commercial company to prosecute for a crime?—We pay a local police tax to protect ourselves.

4432. Suppose a fire takes place in uninsured property, is it right to ask an insurance company to prosecute there?—No; the man goes on the county in that case.

4433. But if a man had been guilty of stealing, you would have him prosecuted, would you not?—Yes.

4434. Suppose, then, it is proved that he set fire to a house, who would prosecute him?—That is a crime punishable by law at present; that is malicious injury, quite different from a fraudulent incendiary fire to deprive an insurance company of its money; in a case where there was no insurance, there would be no one to prosecute a man for fraud.

4435. Suppose the case of a fire in uninsured property where there was very strong evidence of the guilt of a man having set fire to that house, who would prosecute that man?—It would be the police.

4436. The police would prosecute, but it would not come under the notice of the fire bailiff or inspector, because it was not insured?—He would take no interest in it because he represents no person concerned in the case.

4437. But let us dismiss the insurance companies from our minds, and suppose we have a fire where we did not know whether the property was insured or uninsured, and we had a fire inspector appointed, how would you proceed in that case?—Suppose I come to the determination that the fire has been done on purpose, and that I can ascertain the party who did it, then the police should prosecute.

4438. You would inform the police?—Yes; pursuing the same course as is done in other cases till the police took it up; but in cases where the insurance companies are concerned, they should pay a proportion, because they are defending themselves in that case.

4439. Mr. *Agar-Ellis.*] You spoke about having four engines and tenders; what do you call tenders?—I should say it is an omnibus without a cover.

4440. What is it for?—When the bell rings it takes 10 or 12 men, a reel, a stand-cock, and one or two intermediate ladders; it can go much quicker than a four-wheel.

4441. Now, with regard to a steam engine, you said that it did more harm than good by the quantity of water it threw on a fire?—I have not seen one at work.

4442. But you said you thought it would be as well to let the fire go on for 10 or 15 minutes instead of pouring this enormous volume of water on the fire at once; cannot you fancy it possible if you allow the fire to burn for 10 or 15 minutes more, that it would extend very much?—In many cases it would not, because our walls are generally solid.

4443. But is it not, as a rule, rather a dangerous thing to let a fire go on burning?—Yes; but in certain cases I would say no.

4444. Lord *Richard Grosvenor.*] You are looking at it in an insurance point of view, I suppose?—Yes; in an insurance point of view and as an insurance agent.

4445. Mr. *Agar-Ellis.*] Is it not possible if a fire goes on burning that you may not be able to save the goods?—No.

4446. You cannot fancy a fire going on until it becomes so great that you cannot save the goods?—Yes, no doubt; but if a fire occurs in a second floor, it might be more prudent not to let any water be poured on it for five or six minutes, and to remove all the goods in the shop below; it makes a difference of 25*l.* or 10*l.* to the insurance company for burning a ceiling, whereas it might make a difference of 5,000*l.* with regard to the goods.

4447. Lord *Richard Grosvenor.*] You must have

have a very clever experienced man to judge of that, I suppose?—Yes, you must have a man able to judge whether it would be prudent or not; if he sees that the fire can only burn the roof of a nobleman's house in the country, which takes fire in the upper part, it is better to let that fire burn the roof off, and pitch the furniture out of the rooms, than to pour the water on and destroy everything.

4448. Mr. *Agar-Ellis.*] Cannot you conceive the two things going on at the same time?—The water will go down instantly.

4449. You cannot fancy one portion of a house burning, and the valuable goods in another portion of a long house in the country?—If the goods were at one end and the fire at the other, it would be better to put the fire out instantly, because I can do what I like at the other end; but fancy shawls in a shop, worth 5,000*l.* or 6,000*l.*, would be different.

4450. Do you know the working of the Malicious Injuries Act in Ireland?—Yes.

4451. Will you briefly describe what happens. Suppose A. loses a house or hay rick, and he believes the fire to have been malicious, what is the course that he takes?—He must give notice within two or three days to the clerk of the peace, and one or two other parties mentioned in the Act of Parliament, that a malicious injury has occurred, and he then goes forward to the sessions where the magistrates sit, and he applies there for a presentment of the value of the injury done, which is usually the burning of hay or straw in fields; he generally gets it, without his neighbour thinks he did it himself.

4452. Lord *Richard Grosvenor.*] Who pays the money?—Supposing the proper authorities have received notice, then the first sessions that come round he makes an application for the amount of the loss, and it is applied over the barony or the county; and as every neighbour would have to pay a portion, if there is any attempt at fraud it is a very difficult thing to recover from the county.

4453. Mr. *Agar-Ellis.*] The presentment has to go before the grand jury, has it not?—Yes.

4454. And the grand jury grant it or not on the evidence?—Yes.

4455. Do you know what happens then; suppose the grand jury say yes to the presentment, A. gets his money from the county treasury, does he not?—Yes.

4456. But what happens if the police in the meantime lay their hands on a person who they think has done the injury?—I don't know.

4457. The question of paying the money, and the question of prosecution, are two different questions?—Of course.

4458. But you know nothing of the manner in which the prosecution would be carried on?—Nothing.

4459. Lord *Richard Grosvenor.*] I suppose in Belfast you make yourself as much acquainted as you can with the premises in the town generally?—Yes.

4460. After a fire you are pretty well acquainted with the stock in the premises, and you are able to judge whether there would be any reason for fraud?—No, I know nothing about the stock, probably; of course I know the localities, but stocks fluctuate so much.

4461. The fire brigade in Belfast, you say, consists of 20 men?—Yes.

4462. Are they police or firemen?—They are firemen.

4463. They are distinct from the police?—Yes, they are distinct from the police.

4464. What class of men are they?—Paviours, shoemakers, one or two carpenters, and tradesmen.

4465. Are they paid so much per week?—They are paid so much per week, and so much for the first three hours of attendance at a fire, and so much for every hour afterwards.

4466. They are not fully paid as firemen?—They are not fully paid as firemen; they get a small sum per week. They all live around the fire engine-house; there are 10 or 15 houses indicated by the police for them.

4467. The police are bound to give every assistance at fires?—They have always done so.

4468. There seems to be a sort of opinion that firemen delight in pouring water on a fire, is that so?—The men never think of the quantity of water they put on; they have no control over it.

4469. Have you ever seen a steam fire-engine at work?—No; but I have an idea of the quantity of water thrown.

4470. You do not know whether a steamer is more easily manipulated than a manual?—Yes.

4471. Probably the fireman has more command over it?—Yes, decidedly.

4472. Only that he, having so much water at his command, it is a pleasure to him to put it on, you think?—No, but he merely puts too large a quantity on; it requires a man of superior talent to know the quantity.

4473. *Chairman.*] The fireman thinks it his duty to put out the fire as soon as possible?—The superintendent desires the water to be put on at half-cock, or full-cock, and the fireman pours the water over the fire.

4474. Lord *Richard Grosvenor.*] The fireman has no power himself, you think?—No; I think it is the superintendent's business.

4475. You think it would be better, in many cases, to let the fire burn on?—Yes; unless it is all under the management of a very superior man.

4476. But where there is a good system, and only sufficient water is poured on, it might be advisable to put a fire out at once, you imagine?—Yes, but a steamer is more useful when there is a very large fire; we have that only once or twice a year.

4477. In Belfast, you mean?—Yes.

4478. Do you think that the inspector should observe all that he can possibly observe in the building before the firemen attempt to put it out?—He goes in with the fire brigade men into the building.

4479. But you would not have the firemen wait for him?—No; they act independently of each other, and if the inspector went there before the fire brigade, he would have to wait.

4480. You would not have the firemen wait for the inspector?—No; but the inspector would have to wait for the firemen.

4481. You would not let him enter the house before the firemen?—The police would not allow him; but independently of that I would not allow him, for opening the doors might create a fatal draught.

4482. Mr. *Read.*] Are agricultural fires common in Ireland?—No, they are very uncommon in the north of Ireland.

4483. I suppose the county pays where the

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fire is malicious, but where a fire is accidentally or carelessly caused they do not pay?—Where it is accidental, people often try to make it out malicious, for the purpose of getting the money.

4484. Do the agricultural people generally insure their farming stock against fire?—Yes.

4485. They do not get paid by the county and by the insurance company too, do they?—Never.

4486. They have no particular reason for making out a fire to be a malicious act, then?—Except where they are uninsured.

4487. Do you think that system works well; I mean the system of paying for malicious fires by a county rate?—I do not know much about the working of it; Belfast is particularly situated so far as the average clause is concerned; it is the only portion of Ireland where it is insisted on in every policy of insurance, except private dwelling-houses.

4488. Mr. *Lanyon.*] What is the reason of its being applied in Belfast peculiarly?—I cannot answer that, but I think it is very unfair; I think it should be applied everywhere, all over Ireland, because I think it is a fair clause.

4489. Mr. *Lusk.*] You think that it should be applied in every case?—Yes, except in private dwelling-houses.

4490. Lord *Richard Grosvenor.*] I suppose its being applied only in Belfast is a rule of the insurance companies?—It is a rule of the insurance companies; we have two or three Irish companies, but the companies will take no insurance risks in Belfast except with the average clause.

4491. But the rates of premiums are no higher in Belfast than in any other part of Ireland, I presume?—No, they are about the same all through; I believe that the cause of the introduction of the average clause in Belfast was, that in a great many fires the salvage produced from 50 to 25 per cent., and the insured found that by insuring half the value of their property the offices paid the entire loss, and they saved the balance.

4492. In fires that occurred in flax stores, and so on?—Yes.

4493. *Chairman.*] Can you give the Committee any idea with regard to the number of fires for the last 10 or 15 years?—I could give it from June 1858; the number of fires was, on an average, 37 per year.

4494. Can you inform us how many of those fires were upon insured property and how many on uninsured property?—In the year 1859 there were 40 fires, six uninsured out of the 40; in 1860, there were 33 fires insured to seven uninsured; in 1861 there were 40 fires insured to nine uninsured; in 1862 there were 47 fires insured to 11 uninsured; in 1863 there were 23 fires insured to nine uninsured; in 1864 there were 28 fires insured to 10 uninsured; in 1865 there were 48 fires insured to five uninsured; in 1866 there were 35 fires insured to 14 uninsured.

4495. Therefore a large proportion of the fires in your district are fires on insured property?—Yes.

4496. Can you tell the Committee what proportion that bears to the amount of property insured in the county?—I think that barely half of the property in Belfast is insured, and for four miles round Belfast.

4497. What would be the average number of fires in insured property and uninsured property in that district?—There have been 294 fires since the year 1858, and 71 of those were not insured.

4498. That is about the fourth part?—Yes.

4499. So that about three-fourths of the fires are in insured property, and one-half of the property in Belfast is insured?—Yes.

4500. What inference do you draw from that?—That the property which is not insured is always the least valuable; uninsured property is always found to be an inferior class of house.

4501. But when you find that such a large portion of the fires in your district is in insured property, what inference would you draw with regard to the causes of fires?—I do not know, except that the better class of people take more care of themselves by insuring their property.

4502. But how comes it that you have a much larger proportion of fires when you have the property insured?—I cannot tell you; I suppose it is because we get the most dangerous portions. Take one of our large flax-mills, of the value of 200,000 *l.*; we would not get more than 40,000 *l.* insurance on it.

4503. But have you no rules for taking risks; do you take only the dangerous parts, and leave the rest?—We do not call a flax store a dangerous risk at all; the building is a fire-proof mill, very likely.

4504. Your inference is this, that the insurance companies in Belfast and the neighbourhood are not sufficiently cautious in taking risks?—No, I do not say that; half the property is not insured, and a large portion of it the parties do not think it necessary to insure in Ireland; for four miles round Belfast you would find large properties uninsured, because the people think they are safe.

4505. You think that the Committee would not be entitled to infer from those proportions, that some people insure with the intention of setting fire to their houses, or their property in their houses?—I think not.

4506. You are not aware of such things occurring in Ireland?—Occasionally, but it is not usual.

4507. Mr. *Lusk.*] In the cases of uninsured property, is the property as valuable as the other which is insured?—No, not at all; there is no comparison.

4508. The fires in insured property are trivial fires as compared with the others?—They are trivial in uninsured property.

4509. Mr. *Lanyon.*] Then the fire insurance companies for many years past lost money in Belfast?—The insurance loss for the last five years would be about 5,000 *l.* per annum; they have lost that over their average income, that is over their gross premium, and without deducting the working expenses.

4510. Mr. *Read.*] Who pays for this?—England. I think very few fire offices pay their expenses.

4511. Mr. *Lanyon.*] Is there any Irish insurance office?—Yes, there are two, the National and the Patriotic, which are both in Dublin.

4512. Do they do much business?—Yes.

4513. Mr. *Turner.*] In England as well as in Ireland?—I am not positive whether they do business in England or not.

4514. *Chairman.*] Is there anything that you would wish to add to your evidence?—I think not.

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4515. *Chairman.*] In what capacity do you appear before the Committee?—I am a Valuer and Adjuster of Losses for the Insurances Companies.

4516. Are you valuer for any particular company?—No; I act for the principal companies doing business in Ireland.

4517. That includes English and Scotch companies, as well as Irish companies, I suppose?—Yes.

4518. How many Irish companies have you in Dublin?—We have three Irish insurance companies in Dublin.

4519. Can you tell the Committee the number of fires that have taken place in Dublin of late years?—My list was taken from the report of Captain Ingram. In the year 1864 there were 68 fires: the number of totally damaged places was 12; severely damaged, 12; partially damaged, 44. In the year 1865 there were 75 fires in all: 12 totally damaged; 15 seriously damaged; and 48 partially damaged. In the year 1866 there were 85 fires in all: of which 10 were totally damaged, 20 seriously damaged, and 55 partially damaged.

4520. Taking the whole number of fires in Dublin for three years, there has been a considerable increase in the number of fires of late years, has there not?—Yes, both in Dublin and the country.

4521. Can you give the Committee any idea of the causes of those fires in Dublin?—I consider that a good many of them are malicious.

4522. What proportion?—I will take the settlements which I had myself in 1864.

4523. Mr. *Lanyon.*] Do you mean incendiary fires, or malicious fires?—There are very few incendiary fires, I think.

4524. *Chairman.*] What is a malicious fire, according to your definition?—I would say that parties insuring and setting fire to their premises for the purpose of getting money under false pretences, and removing their goods beforehand so that we can find no evidence of the stock, and yet a very large claim is made, is a malicious fire.

4525. But would you not call that an incendiary fire?—No; it might be arson. If a man does it with his own property, I call it arson; done probably by himself or some party for him. I apply the two words "arson" and "malicious," in the same way. "Incendiary" appears to me quite another thing; it would be setting fire to another party's property.

4526. You mean by a malicious fire a case where a man sets fire to his own house, with the view of defrauding the insurance company?—Yes.

4527. Mr. *Turner.*] Would you draw a distinction between the case where a man set fire to his own house with a view of defrauding the insurance company, and the case where a man set fire to another man's house from spite or revenge?—That last is what I call incendiarism. In 1864 I was employed in 44 settlements. I found that 20 per cent. of them were dishonest and fraudulent fires; there were 30 per cent. of exorbitant claims made. I settled on the average 10 per cent. over and above the actual value that should have been paid for the purpose of obtaining a settlement.

4528. *Chairman.*] That is 60 per cent. in all?—Yes, altogether.

4529. The other 40 per cent. would be, what?—The other 40 per cent. would be cases of honest accidental fires. Then, in the year 1865 I had 60 settlements: the per-centage of dishonest and fraudulent fires would be about 20; the per-centage of exorbitant claims were 40; and for 10 to 15 per cent. I had to recommend the companies to pay more than the actual value.

4530. How many settlements had you in 1866?—I had 110 settlements for fires.

4531. Those fires are for the neighbourhood of Dublin as well as Dublin itself?—Yes. In the year 1866 I had 110 settlements: 25 per cent. of those were fraudulent and dishonest fires; 50 per cent. were exorbitant claims; and I had to pay 15 or 20 per cent. more than the value.

4532. You divide the cases into three classes; dishonest or fraudulent being one class?—Yes.

4533. Do the insurance companies pay anything at all in those cases?—Yes; we have to pay them all.

4534. But if the company suspect them to be dishonest or fraudulent, why do they not resist the payment?—Because they would have no chance of getting out of it.

4535. How is that?—There is no chance of getting a jury to agree to convict in Dublin.

4536. You think that juries are rather against the insurance companies?—Yes, I have met cases of that kind.

4537. Then your second class is what you call "exorbitant"?—Yes.

4538. Do you pay all that they ask for?—No, we cut them down considerably.

4539. What do you infer from the claims being exorbitant?—I infer that in some cases the men set fire to their premises.

4540. I see that you have had a large increase in the number of fires both in Dublin and the neighbourhood from 1864 to 1866?—Yes.

4541. According to your figures, there have been also a very large increase in the numbers of suspicious fires?—Yes.

4542. Do you think that the insurance companies are sufficiently cautious in taking risks in Dublin?—I think not.

4543. Do you think they are to blame in that respect?—Yes; they ought to have the characters of the parties whom they insure; I would sooner have a risky house than a risky man.

4544. You look more to the character of the man than to the character of the property?—Yes, certainly; they have agents who bring them those risks.

4545. The insurance companies are not particularly cautious in the appointment of their agents, are they?—Generally they are; but the agents, for the purpose of obtaining business, will take a risk, and they will never inspect it afterwards.

4546. Do you think that the insurance companies are right in paying those exorbitant charges in suspicious cases?—No; I think that they ought to resist them.

4547. Do you think that that would have the

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effect of reducing the number of fires?—There is no doubt of it.

4548. Has insurance been a paying business of late in Ireland?—I think not, judging from the quantity of fires.

4549. Is there any talk of increasing the premiums?—Yes; the premiums have been increased lately, and there was the average clause applied "to the shopkeepers in Ireland," but there was such an outcry against it that they have taken it off.

4550. Are the provisions in Dublin and the neighbourhood sufficient for the protection of life and property from fire?—I consider that they are.

4551. You have an efficient fire brigade, I presume?—Yes.

4552. And a sufficient supply of water?—Not at present; we have not got sufficient pressure, but we have a good supply generally.

4553. Is the water in the hands of a private company?—No, it is in the hands of the corporation.

4554. How is the fire brigade supported?—By the corporation.

4555. You have certain Local Acts for those purposes?—Yes.

4556. What is the pressure of water?—The pressure is very small at present; but we expect shortly to have a pressure. I find the pressure will be sufficient to throw water 200 feet above the ground level.

4557. What kind of fire engines have you?—We have two steamers, and three or four hand engines. The insurance companies have engines of their own; the National Insurance Company has a very powerful hand engine.

4558. Do the insurance companies pay anything at all for the municipal fire brigade?—Nothing at all, unless where the insured is furnished with an account of half the expenses, and then, of course, it becomes a part of the claim on the companies.

4559. Mr. *Agar-Ellis.*] Beyond the sum insured for?—If the sum insured is run out, the company are not liable for any more than the amount insured, but if it is under that, and only a partial burning, the company has to pay the extinguishing expenses.

4560. *Chairman.*] To what do you attribute this great increase of fires of late years?—A great many shopkeepers, I think, set fire to their small shops from dishonest motives.

4561. Are the fires in Dublin principally in shops?—Yes.

4562. In connection with dwelling houses?—Yes, very often.

4563. With families living above?—Yes.

4564. Have you had any loss of life?—Yes, a very serious loss of life; in one case the entire premises were destroyed.

4565. Have you any means of saving life from fires?—Yes, we have several fire escapes, similar to the London escapes.

4566. Do you find them of use?—Yes; they have been very effective, with the exception of the fire which took place in Westmoreland-street and there the escapes were out of order, or there was some neglect in the matter; there was a serious inquiry, but they could not attribute it to any neglect of the men.

4567. How are the fire escapes supported?—The fire brigade has it entirely in their own hands.

4568. The firemen are also fire escape men?—They are.

4569. Are the fire escapes put out in the streets?—Yes, the escapes are put out in the streets; there is one in Sackville-street, and one near the Bank, and others through the City, and they have a couple of men to watch each one. They have telegraphs from the different stations; there are two stations for the fire brigade, and they telegraph one to the other, so that they all can start together.

4570. Have you any local Act of Parliament with regard to buildings in connection with fire?—Not any for either public or private buildings; we very much want such an Act in Dublin.

4571. Do you know anything of other parts of Ireland?—Yes, I go to all parts of Ireland.

4572. Are there proper legislative provisions for the protection of life and property from fire in other parts of Ireland?—Not in the country towns.

4573. But in other towns?—Belfast and Cork are pretty well off in that respect; Cork has a very good supply of water, but it is only used from hydrants; there is a very large pressure there, but it is very inefficiently arranged; there are no proper arrangements.

4574. Is the fire brigade efficient in other large towns?—Only in Limerick, Belfast, and Dublin, I think.

4575. There is no other efficient fire brigade in other parts, to your knowledge?—No.

4576. Do the insurance companies not keep up a fire brigade?—There is one in Limerick kept up by the West of England Insurance Company, and I think one or two by the corporations.

4577. What means would you suggest for preventing the increase of fires in Dublin?—I think that there should be an inquiry into all fires.

4578. An inquiry made by whom?—By some party appointed by the Government, in fact, a Government inquiry by some one in the capacity of coroner, who would appoint 12 men for a jury, and have sworn evidence. A jury of six men might be sufficient.

4579. Suppose a fire takes place, the fire brigade is called out, and the police are there; it would be their duty to report to some official person, I suppose?—Yes, the police detectives are at fires in Dublin.

4580. It is their duty to report the fire, is it not?—Yes, they make reports in their own book to their superior officer.

4581. What does he do?—He puts a detective on the track of any one suspected of setting the house on fire.

4582. And if he gets any evidence what does he do?—If it is enough evidence he takes up the party; we have had two or three cases of that kind.

4583. Do the police prosecute a man on the suspicion of being an incendiary?—They would do so if they had sufficient evidence.

4584. You think that the Government should take up this question, and appoint an officer for the purpose of inquiring into the causes of all fires?—I consider that the Government would be the proper party.

4585. Do you think that the coroner would be the fittest party to do that?—Either the coroner, a professional architect, or a lawyer.

4586. We have it in evidence that the stipendiary magistrate is the proper person to inquire into fires; what is your opinion on that point?—In country districts that would do very well.

4587. He would be quite as fit a person as the coroner, you think?—Yes, if he had the same power; but there should be a jury, I think.

4588. You think that there should be an inquiry into every fire?—Yes.

4589. Would you have the coroner or the magistrate summon a jury at once to inquire into the fact whether a fire was suspicious or not?—Yes, in case of death they take up intelligent people passing by; any 12 men in the neighbourhood.

4590. But in cases of death, unless the coroner is really suspicious of foul play, does he summon a jury?—Yes, it is the business of the police to find the jury.

4591. Mr. *Read.*] It is not necessary for the coroner in all cases of sudden death to summon a jury, is it?—He collects them in the neighbourhood.

4592. I mean, is it necessary to have a jury?—In all cases they have a jury.

4593. Are you sure of that?—Quite.

4594. But when the coroner feels positive that death has resulted from natural causes, is it necessary for him to have a jury?—It always is the case that he has a jury, so far as I know. Of course I allude to sudden death, where no medical man had been in attendance.

4595. It would be attended with considerable expense and labour to have a jury upon every trifling fire, would it not?—It does not cost anything in case of death; a juryman is not paid anything. I have been taken myself by a policeman, when I was in a great hurry, and been obliged to go into the hospital, and remain there for hours on the jury.

4596. Mr. *Agar-Ellis.*] And you were not paid?—Oh, no.

4597. *Chairman.*] But suppose there is not the slightest suspicion of wrong-doing, would it be necessary in all cases to summon a jury to have an inquiry?—It would be better in all cases to have an inquiry, unless the damage done was only trifling.

4598. With a jury?—Yes; something might be elicited in that way, that would not be elicited in any other way.

4599. How would the coroner be paid?—I consider that the Government should pay him; it might come out of the rates.

4600. Do you think that the insurance companies should not pay?—Certainly not; it should not be their business at all.

4601. It is not a business that a mercantile company have anything to do with?—Certainly not.

4602. Mr. *Agar-Ellis.*] Where does the water come from in Dublin now?—We have two canals, and there are basins on each side of the city; receiving basins.

4603. There is no pressure at all?—There is very little in some parts of Dublin; the water does not rise much more than to the surface.

4604. When is the Vartry water coming into Dublin?—It is expected this summer.

4605. Has it ever actually been into Dublin?—Not yet; but I am sure from the height of it, that we should have at least a pressure of 200 feet if we wished it. That is, the pressure will be sufficient to throw the water 200 feet above the ground level.

4606. Lord *Richard Grosvenor.*] I presume that you could not give the Committee an idea of the amount of property insured in Dublin, compared with the whole?—I should say that THREE-FOURTHS of the property in Dublin was insured. I am now of opinion one-half would be a better proportion.

4607. Is that the more dangerous, or the more valuable property?—With regard to Belfast, it principally consists of factories; there is more risk about factory machinery than there would be in shops; we have very little of that in Dublin.

4608. Dublin is principally shops and private dwellings?—Yes.

4609. You think that the more careful part of the population insure their houses?—Yes.

4610. Therefore the insurance offices would gain more in Dublin than they would in Belfast?—Yes, I think so.

4611. Has your experience led you to believe that there is much fraudulent insurance in Dublin?—Yes, certainly.

4612. We have it in evidence that in England there are gangs whose trade it is to effect fraudulent insurances?—I have not come across that in Dublin; we have not got them in clans in that way.

4613. Are you aware that a very heavy commission is paid to agents by some offices?—In some instances I believe that is so.

4614. Could you give me any figures that you have heard; have you ever heard of 30 per cent.?—No, I never heard of more than 10 per cent.; some of the offices only pay five per cent. They also allow agents the commission of 5 per cent. on duty.

4615. The best offices only pay five per cent., I presume?—The best offices only pay five per cent.

4616. Those offices which are seeking business are apt to give 10 per cent., are they not?—Yes.

4617. Do you think that if the offices were a little more careful in taking risks, there would not be the same inducement for incendiarism?—I think it would pay to get rid of risky parties.

4618. As you said before, you look more to the character of the man than to the character of the property?—Yes.

4619. Do you think that an investigation could be carried on into the causes of fires better before a stipendiary magistrate than before a professional man like a chemist?—An architect would be a useful man in some cases; but a lawyer is generally the best man, I think.

4620. You would prefer a man who could take evidence, rather than a professional man who is acquainted with buildings, or a chemist, for instance?—Yes, it is just a question of taking evidence properly.

4621. He might obtain professional evidence from proper witnesses, might he not?—Yes; I think it would be necessary to have a separate salvage-manager, just as they have in Belfast, to go and take possession of the premises, who would give evidence before the coroner with regard to the nature of the burning, the places where the fire broke out, and the materials that he found lying about; he should sift the *débris*

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thoroughly, with a view to put the evidence before the jury.

4622. But it would hardly be necessary to summon a jury in every case where the cause of the fire was satisfactorily explained, would it?—It would be no harm whatever; no respectable person would object, and, if it became general, it would deter fraudulent people from raising fires, if they knew that some one might turn up to give evidence against them.

4623. Do you think, in an insurance point of view, it is better to look to the salvage than to putting the fire out?—No; first of all put the fire out, and look to the salvage afterwards.

4624. Mr. *Lush.*] In Dublin your houses may be called safe risks, as a rule; they are not of a hazardous class, are they?—No, not like Belfast.

4625. But you say that fires are still increasing?—Yes.

4626. Do you think, as an experienced man, that suspicious fires are increasing in Dublin?—Certainly; I find that to be so, in my own experience.

4627. Do you think that that arises from the indifference of the agents, or from the great competition?—I think both; new companies take risks for the purpose of obtaining business.

4628. The companies are not particular enough in seeking respectable men to be their agents, you think?—Yes, they are; but canvassers go out for the purpose of making it appear that they are doing business.

4629. The main object is to obtain business rather than to save the funds of the company?—In some cases it is so.

4630. The companies themselves are rather to blame for that, because it is offering a temptation to some people, is it not?—Yes; to some of the small shopkeepers, no doubt it is a temptation.

4631. I think you have stated that the average clause was applied to Dublin?—Yes, but they removed it.

4632. Do you think that the average clause is desirable in all cases?—Yes, except in private dwellings.

4633. You think that not having it in the policy has a tendency to make people do things which they would not otherwise do?—Yes.

4634. You have a good brigade in Dublin?—Yes. There is a small brigade in Limerick, and there is a very inefficient one in Cork.

4635. Would it be desirable, in your opinion, to make it compulsory on every town with a certain population, to have a fire brigade?—I think that the police in country towns should be trained to act at fires themselves; they have a great deal of idle time, and they might easily do so.

4636. Have you any steam fire engines in Dublin?—Yes.

4637. There are none in the other places?—None.

4638. I believe there is no Building Act in Dublin?—No.

4639. Every man builds his house just as he thinks proper, right up against another man's wall, but is that very inconvenient?—Yes, and it causes great litigation.

4640. Do you think that there should be a Building Act applying to all towns of considerable size?—Yes, that would be very useful.

4641. And an investigation into the cause of every fire?—Yes.

4642. Would it not be the simplest way to get the police to take any suspected man before the stipendiary magistrate?—That would be a simple way, but I find it hard to get the police to go to work; and would the magistrate investigate the case thoroughly?

4643. Would it not be the simplest way to obtain immediate justice?—Yes, if the magistrate was empowered to have all the witnesses before him.

4644. Would not that be very simple in a town like Dublin?—No doubt, the magistrates sitting every day.

4645. Mr. *Read.*] Have you many agricultural fires in Ireland?—I had three within the last few years; incendiary fires.

4646. Are they on the increase?—I should say not.

4647. In the case of those incendiary fires, the county pays, does it not?—Yes, if there is a proper claim made on them in good time, but you must give evidence of the malicious intent.

4648. Is the farm stock generally insured in Ireland?—I do not think that there is one-eighth of it insured.

4649. What is the rate per cent.?—Five shillings. Farming stock is free of duty.

4650. It is the same in Ireland as in England?—I do not know the rate in England.

4651. You do not make it any less in consequence of the county paying for malicious fires?—No; but it is very hard to get a presentment for malicious burning. I had to do with two fires in Cork, and though the gentleman was a magistrate, he neglected to give notices in time. The county would not pay, and the company had to pay. He had another fire immediately after, and though he gave notice, there was again something wrong, they would not pay, and the company had to pay again.

4652. The county tried to escape?—Yes; they oppose it.

4653. Lord *Richard Grosvenor.*] What is the population of Dublin?—250,000.

4654. Mr. *Lanyon.*] Suppose a district inspector were appointed whose duty it should be to look after every fire, are you sufficiently acquainted with the stipendiary magistrates of Ireland to be able to say that they would be the most satisfactory class of men to whom the inspector could report for the purpose of having a jury summoned?—They would be very efficient, no doubt.

4655. Is there any other class of persons that you could, in the same degree, recommend for that business?—In county towns the stipendiary magistrate would be the best person, no doubt; but, I think, that in large towns like Belfast there should be a special party appointed, such as the coroner, or a gentleman in that capacity.

4656. Mr. *Turner.*] You stated that you thought that in cases of suspicious fires the insurance offices should prosecute?—Yes.

4657. But I think you also stated that it was very difficult to get Irish juries to convict?—Yes.

4658. Do you think it desirable that the offices should prosecute in cases where they have no reason to expect a conviction?—The fact of it is that the offices do not wish to appear litigious.

4659. But do you still adhere to the opinion that they should prosecute where there are no grounds

grounds for expecting a conviction? — They would not go into it without grounds; but even if we furnish them with grounds, they very often will not do it.

4660. But if the offices do not expect a conviction, is it reasonable to expect them to prosecute?—It would not be reasonable.

4661. Then how do you reconcile the two answers which you have given; that it is desirable the offices should prosecute, and yet that it is almost impossible to get a conviction?—I think I said, that it would be necessary for the Government to prosecute. In all cases that I have had to do with I succeeded with the Crown. I kept the insurance company out of it. I got the detective force to act. I succeeded in one case, but I let the company have nothing to do with it, but proving the amount of insurance and the intent to defraud.

4662. You are of opinion that the offices should not prosecute, except they have such evidence as would ensure a conviction?—Certainly not.

4663. But you said that in Ireland it is almost impossible to get a conviction?—Of course if it is clearly shown to the jury that a man has set fire to a house, there is no difficulty.

4664. I think you said that in Ireland juries lean to the insured?—That would be in the case of a fraudulent claim; we have had two or three of those cases, and I found that the jury gave considerably more than we could get a settlement for.

4665. In such cases, do you not think it is reasonable to expect the offices to prosecute?—Certainly not.

4666. Mr. *Kinnaird.*] With regard to getting the Crown to act, have you ever had any difficulty in that respect in Ireland?—I had that difficulty once; I had one case in the county of Cavan, where I was engaged, not for an insurance company, but for the creditors. A draper there set fire to his premises; there were 10 or 12 fires in his shop in different places; he was a man of good character previous to this; but he thought of obtaining 5,000 *l.* or 6,000 *l.* for his stock, and he took it away, and set fire to the place; to account for it to his creditors; he wanted to arrange with the creditors, offering 2 *s.* 6 *d.* in the pound. I was employed to go down to inspect; the barracks was only a few doors away, and I asked the police if they had any report of how the fire occurred, and they said no; I said is it possible that the constable did not make any report to his superior officer or the magistrate, and he said no; I then got the inspector to come with me, and we found that the goods had been taken away at the back of the house, and that some of the goods went one way, and some another by railroad; we thought that the police might give us some assistance, but we could obtain no efficient help, and they were perfectly indifferent. There is not the slightest doubt that if the man had made a claim to the insurance company they would have had to pay a lot of money. The fire was put in the shelving 10 or 12 feet apart; it was got up with brown paper and paraffin oil; the man was made bankrupt. His desk was all charred inside and not outside. We could have prosecuted in that case if we had obtained any assistance from the Crown.

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4667. You think that that prosecution failed for the want of proper assistance from the Crown?—Certainly, for the want of available evidence.

4668. You have occasionally, however, got the detectives to act in such cases?—Yes, in Dublin.

4669. Was that at your own expense?—No; there was another case where there was a fire; I was sent for by one of the Irish offices to inquire into the cause of that fire, and I found that the top of the house was burnt off, and that there was another fire in the kitchen.

4670. *Chairman.*] Is paraffin oil extensively used in Ireland?—Yes, in country towns where there is no gas.

4671. Are there any accidents arising from the use of paraffin oil?—I never heard of any.

4672. No explosions from lamps?—Not that I have heard of.

4673. Do you make any distinction between paraffin oil and petroleum? — It is generally paraffin oil that is used in country towns.

4674. Where do they get it from? — From England.

4675. Some of it comes from America, I suppose?—Some of it is American oil; it is generally under the head of paraffin oil, and not petroleum.

4676. It is paraffin oil made in this country?—Just so.

4677. And you say that there are very few accidents from it?—I never heard of any.

4678. Lord *Richard Grosvenor.*] Have you ever noticed that the fires get thicker about the time that the premiums are falling due?—Yes, we notice that; I sometimes say, "I may expect to be busy about this time."

4679. *Chairman.*] Is there anything that you would like to add to your evidence?—I think not.

Mr. John Fogerty, called in; and Examined.

4680. *Chairman*] In what official capacity do you come before the Committee?—I am an Architect by profession, and I have been 35 years in the service of the West of England and other insurance companies in settling fire losses in Ireland.

Mr. *J. Fogerty.*

4681. In what part of Ireland?—The whole of Ireland; I reside at Limerick, but I travel about.

4682. Do you find that fires very often arise in Ireland from badly constructed buildings?—Very frequently; one large case is Lord Cremorne's, which was burnt down in consequence of a defective flue; and there was one at Carton, the Duke of Leinster's house; there was another at Mr. Crocker's house, Balling-guard House, in the county of Limerick; another at Mr. Smythe's, New-park, Roscommon; all was caused by defective flues. I have great reason to say that some legislative measure is necessary to prevent ill-constructed buildings, party walls and flues especially.

4683. You are not aware of there being any Building Acts in Ireland, either local or general?—No, I am not aware of their being any local or general Acts either in Dublin or Belfast; the builders build as they please in Limerick and Cork.

4684. Mr. *Kinnaird.*] Was Carton House, the Duke of Leinster's, a badly constructed house?

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house?—That fire arose from defective flues, not the plan of house; it is not the plan of the whole building, but the carelessness of the workmen; Lord Cremorne's house was ill-constructed, for the flues are very ornamental, and were so finely cut that there was scarcely anything to prevent communication with the roof; we lost 15,000*l.* there.

4685. *Chairman.*] You think it would be an advantage to the public to have Building Acts in all the principal towns for both private and public buildings?—I think it is highly necessary for the protection of life and property that there should be a careful inspection of buildings during their progress, so far as fire is concerned, to see to the carrying of party walls above the roofs, flues, and other matters.

4686. Now, as inspector for the insurance companies, have you anything to do with surveying property for the companies?—Occasionally at Limerick, &c., the agents call on me to look at the premises, and report on the risk.

4687. Take warehouses, for instance; suppose the goods to be insured are a good risk in themselves, do you insure them if the warehouses are not properly constructed?—That would bear on the subject; I have declined several risks where the stock was hazardous and the building good, and *vice versâ*.

4688. But suppose the stock was good and the building not properly constructed, would you insure them?—Only at a very large rate.

4689. Have you any fire-proof warehouses in Ireland?—Yes, a great many in Belfast, and in Limerick also.

4690. What is the nature of construction?—The beams are cast iron, and arches turn from girder to girder, forming a floor which is tiled over; that is the general construction, with stone staircases, and everything else that ingenuity can devise, to guard against fire.

4691. Do you approve of those metal girders?—They are very good in theory, but we find them deficient in practice; if the goods are large enough to create sufficient fire, the metal girder melts almost as quick as timber would burn in flax warehouses, sugar stores, and the like.

4692. Is the use of iron on the increase for fire-proof warehouses?—Yes, very much.

4693. Notwithstanding that disadvantage?—Notwithstanding that disadvantage, they are safer than woodwork, but at Liverpool and other places it has turned out to be of very little value, but still, in Ireland, where we have not such large warehouses they are efficient.

4694. In your experience as assessor for insurance companies, do you find that there has been an increase in the number of fires of late years?—Yes, though the increase with me would not be a fair criterion; I know of large losses, but not of the losses that occurred prior to my time.

4695. How long ago are you referring to?—To 35 years ago.

4696. Has there been any increase since then?—Yes, especially since the general use of lucifer matches; one in particular is worthy of notice; a match had been dropped on the floor, at a flax mill in Portsdown, and a man when carrying a bundle of yarn in his arms trod on the match, looked back and saw it smouldering; but before he came back the fuzzy matter got alight under the machines, and we lost 3,000*l.* or 4,000*l.*

4697. Is there anything that you could suggest with reference to lucifer matches?—I have given that subject much consideration.

4698. There are two kinds of lucifer matches, one that strikes on its own box, and one which strikes on anything else?—Yes.

4699. Would it not do away with the danger if they were all made in the first of the two ways?—I think it would reduce that risk very much.

4700. There having been an increase of fires in Ireland, would you approve of an inquiry into the causes of every fire?—Yes, in every case.

4701. What are the usual causes of fires in Ireland?—They are wrapt in mystery, but I have known many highly suspicious cases; for instance, a man went from town and left his wife in charge of the premises, and on Sunday evening a fire was discovered; I happened to be very near the spot, and detected her in the act of putting tar and resin under the counter; her clothes were on, and daubed with tar, and everything went to prove arson against herself, but the husband not being at home, we did not like to be severe with her, and the magistrate declined to entertain the question unless I became the prosecutor on behalf of the company, which I declined.

4702. That man was insured in some company I suppose?—Yes; in the Globe Insurance Office. The next was of a very serious character in Dublin, in Winetavern-street. I found that the house had been fired in three places; and another unmistakeable evidence of arson being intended. I sent for a detective, and got him to examine the premises. The fire was very trifling; the house was filled apparently with goods, but on examination they were found to be all dummies, made up with paper and plaster of Paris; I brought this case before the magistrates, Mr. Wise and Mr. McDermot, the Dublin stipendiary magistrates, and I begged them to give me assistance to sift the matter, as it was the duty of the Crown; they said, "No, let the company charge the man," but otherwise they would not proceed. After much argument, I was retiring, when I turned back and said, "Suppose I was killed on my journey home, having my life insured, would you call on the insurance company to prosecute?" They said, "That is a very different case." But I said, "I think the cases are parallel. Arson is a crime against the law, and not against the company; you ought to prosecute." They reconsidered it, and had the man arrested; I attended that prosecution as a Crown witness, and the man was convicted of arson, and had four years penal servitude.

4703. You attended merely as a Crown witness?—Yes; otherwise I might have involved the company in difficulties. There was another case in Galway, where a man in the lower part of the house set fire to it, with 20 persons residing above. I called on the magistrate, and he declined to go into it; I reported the case to the company, and they desired me to compromise the matter, and give the man some money; I would not do so, but wrote to the Attorney General, and he instructed the Crown prosecutor of Galway to take the case up; he summoned me as a Crown witness; we succeeded in proving the case against the man, and he was transported for seven years.

4704. Have you had many similar cases?—Yes, a great many.

4705. Can you mention what proportion of those

those cases there are to the number of fires?—That would be a speculative answer; I could not give you certain data; I should say that at least one-fifth of the whole fires I have anything to do with are not fair cases.

4706. Have you not a great many fires, the causes of which are quite unknown?—Yes, a great many; and a great many of them that were so suspicious that if I had had the assistance of a proper tribunal, I should have had no difficulty in sifting the whole matter.

4707. You say that the number of those suspicious fires is about one-fifth of the total number of fires?—Yes; corn mills particularly have suffered.

4708. You think that there are many suspicious fires in corn mills?—A great many of them; I refuse to pay some; when I have not got the power to go to law and prosecute, I refuse the payment. I may mention that a man thought his case so bad in one instance that he absconded to America, and we saved our money.

4709. Were there many such cases where you refused to pay?—There were many that we paid which we would not have paid if we could have helped it; the insurance companies would rather compromise the case, because they know it is a risk to dispute the claim.

4710. Mr. *Lanyon.*] Is there any particular time of year for that epidemic among the corn mills?—Yes, towards the close of the season, at the wind up.

4711. What inference do you draw from the fires occurring when there is very little corn in the mills?—When a mill is well stocked, we seldom find that a fire takes place. That is the use of the average clause; we had introduced it and had to back from it, because our customers got dissatisfied, and in some cases, I think, it would be a hardship.

4712. *Chairman.*] Is there anything that you would suggest as the means of preventing this increase of suspicious fires?—If every insurer were certain of a searching inquiry being held he would be very loth to do anything that would be unfair, and run so great a risk.

4713. Do you find that there are more fires in insured property than in uninsured property?—I find very little uninsured property burnt at all, not one per cent. in my own practice.

4714. You say you think it would be desirable that an inquiry should be made into the cause of every fire?—I would say every fire; I would make it a regular thing.

4715. How would you conduct that inquiry?—I remember that a long time ago I called on the offices to apply to Parliament to establish some means of holding an inquiry. We have no power as assessors to swear any person. They all say, "We are giving you more information than you are entitled to." But if I had the power to call on the magistrate to summon such and such witnesses before him, and had counsel to examine the witnesses, that would obviate nearly all the evil.

4716. But that would make you prosecutor, would it not?—No, there is no prosecution; this is a preliminary inquiry which would guide the companies who would refuse payment, or prosecute, according to the circumstances elicited at that enquiry.

4717. But I suppose that if you saw anything suspicious in a fire you would lay the matter before a stipendiary magistrate?—Whether suspicious or not, I would have an inquiry held into the cause of every fire for the safety of the public and the company as well as for the justification of the party insured, because there are often rumours afloat.

4718. Would you leave it to the judgment of one man, or would you have a jury?—I would have no jury.

4719. How would you proceed after the inquiry?—In a fair case, I would take no further proceedings, but pay the loss.

4720. But take a case of suspicion, how would you proceed then?—The company would refuse payment, and it would be the duty of the Crown to prosecute if there was arson.

4721. But put the company out of the question, and suppose that the offender is not known?—That would be an incendiary case.

4722. Suppose a place was set on fire, and you did not know whether it was the man himself or a stranger that did it, how would you proceed to find out who did it?—If I found out that it was a case of incendiarism, then, by the 5 & 6 Will. 4, there is a rule to enable the sufferer to proceed against the county.

4723. That is for the payment only?—Yes; that is what I call arson; take the case of the burning of Lord Dunraven's stables: A man came and set fire to the stables, and Lord Dunraven called upon my office to pay; we knew that the stables were burnt down by this man. I proceeded and had an inquiry before the magistrate, and this man was brought up; the sufferer must have a series of notices on the churchwardens, the police, and take other measures before anything is paid by the county. In that case, the man was convicted and transported, and we paid Lord Dunraven the balance over what was obtained from the county.

4724. Mr. *Agar Ellis.*] That was a case of "malicious injury," was it not?—Yes.

4725. *Chairman.*] What was the man's object in setting fire to Lord Dunraven's stables?—A vindictive motive.

4726. Mr. *Kinnaird.*] What was he?—He was a strolling vagabond; he had been convicted for theft before that.

4727. *Chairman.*] Have the stipendiary magistrates not the power of examining witnesses on oath if a suspicious case of fire occurs?—I think not; they only take declarations.

4728. If they had that power, you think it would be quite sufficient for the purpose you propose?—It would be a great advantage; I do not know what court I would select, but I know that the stipendiary magistrate would be a very proper person to conduct an inquiry, and it might be done by a professional man on behalf of the insured or the insurance company, or on behalf of the neighbours that would be likely to suffer. At Youghal, a case of that sort occurred; we are almost certain of getting at the facts. In another case at Waterford, I had 1,260 *l.* claimed; I made an inquiry, and I found that the damage was only 50 *l.*; witnesses were produced to establish that claim, and one of them stated that a large quantity of lard had been destroyed, and he was very positive about it before me; we disputed the claim, and he came into court and denied before Judge Monahan that there was any lard lost. Being asked, "Why did he tell me so"? and he said, "I was not on my oath then." I once had a young lady before me who swore that every word she

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she had told me preliminary to the inquiry was a lie.

4729. Mr. *Lanyon.*] Have you many malicious fires in Ireland for which the counties are responsible, and for which payment is made by the grand jury?—Yes.

4730. I suppose that at every assizes which are held in Ireland, there are a great number of applications for compensations?—Yes, a great many.

4731. Now supposing that a public inspector should be appointed, with a view of inquiring into every fire in the first instance, so as to bring the matter before a stipendiary magistrate, are you not of opinion that it would be very desirable; in cases of malicious fires so called, it should be part of the inspector's duty to report specifically on them to the grand jury?—It would be highly beneficial to the public I think; I think that many of those fires are accidental, so that the county funds are made insurance funds for accidantal fires; I know cases of that kind.

4732. The public inspector would then report on all cases of what are called "malicious" fires, and give his opinion before the grand jury?—Yes, it would be most desirable; I think that the law with regard to suspicious fires wants a great deal of revision.

4733. Mr. *Agar-Ellis.*] You spoke of a preliminary inquiry before a stipendiary magistrate?—Yes, before a stipendiary magistrate or a commissioner.

4734. You think that evidence should be taken on oath, I suppose?—Yes, because the witnesses disregard anything they say without being on their oath in many instances.

4735. Mr. *Lusk.*] You are of opinion that it is most desirable to have an investigation into all cases of fires?—It must be most desirable for the company, for the assured, and for the public.

4736. Do you not think that the most suitable way would be to let the police take out a summons for every man who had a fire in his premises, and to bring him before the magistrate?—No, I think that they should summon witnesses, and not the man himself.

4737. But you would summon the man himself in whose place the fire was, would you not?—That would not be fair in some cases, except as a witness.

4738. You would summon witnesses, you say?—Yes, and tell the man that witnesses would be called; but not summon him on a charge of guilt at once.

4739. Would you summon witnesses, and not summon the man to defend himself?—No, I would tell him, or invite him to assist at the inquiry in some cases.

4740. In a case of stealing, you summon the man?—Yes; but a respectable man would not like to be summoned and charged with arson.

4741. But you stated that you would have an investigation into every case?—Yes.

4742. How could you investigate the case without summoning the man on whose premises the fire occurred?—I would not summon him on a charge of guilt, but I would ask him to come; but you could not summon a respectable gentleman for having a bad flue, except as a witness.

4743. Would you proceed with the man's case if he was not there?—No.

4744. Suppose he refused to come?—Then I would go into the case, or compel his attendance, if it appeared necessary.

4745. You would have to summon him, then, would you not?—Perhaps you would; but I am not competent to go into details of what would be the proper law to pass. We had a case in Youghal where a man was not present; his next door neighbour brought a charge of arson against him when he thought to establish a claim against the county. He was not in town, the summons could not be served, and the case was heard by a stipendiary magistrate, which we thought exceedingly irregular; it destroyed the whole case, otherwise we could have convicted the man.

4746. Do you see any way of managing that except by summoning the man himself, as well as the witnesses?—If the summons is merely an invitation to attend; but if my house was burnt I would not like to be summoned on charge of arson; you, or the Chairman, would not like to be summoned in such a case.

4747. Then how could you make the investigation?—If you summon the man as a witness, well and good, you have the same right to summon him as any other witness.

4748. *Chairman.*] You would like to have him present?—Yes, but the word "summon" in our county implies a charge of guilt in some cases.

4749. Mr. *Lusk.*] Supposing the man himself was there, you would investigate the charge in the first place by the police, and the firemen?—Yes.

4750. If it was a fair fire, you would dismiss the case?—Yes, the magistrate would have no more to say to it, but make a report.

4751. But if there was anything suspicious in it, it would go further?—That is the whole of my notion; I want to get out the facts that I never can get out in *ex parte* inquiries.

4752. *Chairman.*] You would let the owner of the property know that you were going to prosecute that inquiry?—Certainly.

4753. Mr. *Kinnaird.*] In the case of a fraudulent fire, or a malicious fire, should you have any confidence in obtaining a conviction from a jury, if you were prosecuting for one of the insurance offices?—What jury do you speak of? We mostly fail before the jury for want of good evidence, and this preliminary inquiry would furnish that evidence to a great extent.

4754. But have you not heard of cases where the sympathies of juries in Dublin have been very much against the offices, and in favour of the insurer?—I know that to my cost. We mostly get a verdict against us, even when we think we have proved the case.

4755. How can you account for that?—I do not know. We had a very heavy case in Cork, with a highly respectable miller; we succeeded in quashing the claim before Judge Crampton. The judge said, "If you believe the witness or his testimony, you must find a verdict against him; otherwise you must find a verdict for the company;" and the verdict was for the company. One of the special jury accosted me in the street, after leaving court, and said, "You got a verdict, but it was not with our good-will, for if we could have found the slightest hole we would have given a verdict against you."

4756. And you think that is not a bad sample of the general feeling of juries towards companies?—Just so.

4757. Therefore, you would say that it is very unreasonable to expect the offices to prosecute with that experience of juries?—The offices never prosecute if they can help it.

4758. It

4758. It is not that the offices are unwilling to prosecute, but it is almost a certainty that the result would not be satisfactory?—You are perfectly right; but it is not their duty to prosecute a criminal; it is their duty to protect their own property, but I think it is the duty of the Crown to prosecute criminals.

4759. It is only a commercial transaction on their part?—Just so.

4760. It is the duty of the Crown to prosecute and convict a criminal if they can?—Yes, I have expressed that to our magistrates.

4761. Have you had several cases in which you attempted to procure a conviction and failed?—Yes, I know a very flagrant case in Dublin. A tailor went out for a walk, and his daughter managed the fire in such a way as to leave proof of her intention. I applied to the magistrate and could get no assistance. The company refused the payment of the claim, and he brought an action against them for the amount; they defended the action, and on the day of the trial the attorney compromised the claim of 180 *l.* for 20 *l.* As soon as the claimant obtained the 20 *l.* he brought an action against me individually for 500 *l.*, having represented to the company that he was not entitled to the 180 *l.*, and I had to defend myself. I suffered loss of costs to the amount of 80 *l.*, and he never went on with the case any further; he was no mark for costs.

4762. There was a great fire when Lord Crofton's mansion was burnt; were you engaged in that?—No.

4763. The jury gave a large verdict?—Yes.

4764. Do you consider mansions of the nobility and gentry scattered about in the country to be rather dangerous risks?—Very dangerous, because if a loss occurs it is very serious; we lost 15,000 *l.* at Lord Cremorne's, and 5,000 *l.* at Ballinaguard; the small premiums would never bring up that loss. Every five years the amounts of premiums received on the several classes of risks, are brought in to show either profit or loss.

4765. *Chairman.*] You consider that a country gentleman's dwelling-house is a more dangerous risk than an ordinary dwelling-house?—Yes, on account of the extent, the number of servants, the number of lights, and the number of flues; and another thing is that they are distant from help in case of fire.

4766. You charge a higher premium in those cases, I suppose?—We charge 6 *d.* higher.

4767. Is there anything that you would like to add to your evidence?—I have not made up my mind as to what the court of inquiry should be; but I am clearly of opinion that there should be some court established to inquire into the causes of all fires. I can state numerous cases of fraud, showing the necessity of some judicial inquiry by a competent magistrate, with power to administer an oath, and compel the attendance of witnesses, &c. In a case in Ustace-street, a man packed up his goods and sent them to the Broadstone Station, consigned for New York; and the same night the house was totally destroyed by fire. I got information from the carrier who removed the goods. I examined the cases, and submitted my information and the carrier's information of all the facts to Mr. Wise at the head office. He declined to take them or issue a search warrant, or interfere in any way, unless I swore the goods were the company's property: 1,800 *l.* was claimed, and I had to compromise for 1,000 *l.* I know of many such cases where the companies have been clearly robbed before my face, and have taken the opinion of counsel in the above case, who endorsed Mr. Wise's opinion that he was powerless under the existing law.

Monday, 17*th June* 1867.

MEMBERS PRESENT:

Mr. Agar-Ellis.
Mr. Beach.
Mr. Gorst.
Lord Richard Grosvenor.
Mr. Horsfall.
Mr. Kinnaird.
Mr. Laird.
Mr. Lusk.
Mr. M'Lagan.
Mr. Read.
Mr. Henry B. Sheridan.
Mr. Tite.
Mr. Turner.

PETER M'LAGAN, Esq., in the Chair.

Mr. Edward Newman Knocker, called in; and Examined.

Mr. *E. N. Knocker.*
17 June 1867.

4768. *Chairman.*] In what capacity do you appear before the Committee to day?—I appear before the Committee as agent for the Sun Fire Office, and having had several years' experience as a clerk to a bench of magistrates.

4769. Where are you agent for the Sun Fire Office?—In Sevenoaks.

4770. How do you proceed in case a fire occurs in your district?—The first step I take on having notice of a fire is to send a clerk to make inquiries in the neighbourhood, and the result of those inquiries he reports to me. I write to the office, with a statement of what the clerk has ascertained, and if the circumstances are suspicious, I call the office's attention to the fact, and leave them to decide what course they will take in the matter.

4771. If the circumstances are suspicious, what do the office do?—They usually write in reply to say, "Require the assured to send in his claim." They consider that a necessary preliminary to any proceedings. Then the claim comes in, and the office either determine to resist it, or (very rarely indeed) they institute further inquiries with a view to a prosecution, but they very much object to prosecute.

4772. But even in suspicious cases, they sometimes pay the claim?—Very often from a feeling that they have, that the public look with great jealousy upon proceedings by the offices which seem as if they wanted to avoid the claim.

4773. Then, with regard to the present machinery for the detection of arson, you consider it very defective, I suppose?—I do.

4774. In what respects do you consider it defective?—In the first place, it is the interest of no one at present to institute an inquiry; if a fire happens without any particular circumstances connected with it, and the claim is made, no one thinks it necessary to inquire, the money being paid. Then, supposing there are suspicious circumstances, the difficulty is as to who shall lay the information, because, until the information is laid, the magistrates have no power to originate an inquiry. If a fire took place in my neighbourhood, where we had no doubt arson or incendiarism was committed, until some information was laid we could not get any evidence but hearsay evidence.

4775. Mr. *Horsfall.*] You said that it was the interest of no one to institute inquiries; is it not the interest of the insurance companies to institute inquiries?—I am assuming a case of no suspicion.

4776. *Chairman.*] Has any case occurred in your own district where a claim has been paid under suspicious circumstances?—Yes; a fire took place nine or ten years ago in a flower mill; it was notorious that it had been set fire to; the man was heavily insured; the superintendent of police came to me as clerk to the magistrates of the division, and said, "There is no doubt that the mill has been burnt down by the occupier purposely"; I said, "What proof have you?" he said, "I can get no proof, but every one points to this man; I can ascertain no cause for an accidental fire." The circumstances were communicated to the insurance office, but no proceedings were taken, and the money was paid. Five years afterwards I believe the same man took another mill, which he also insured, and on which the money was also paid after it was burnt.

4777. Do you know the case which was reported to us in your district by Mr. Fletcher?—That was a case of a man by the name of King, and his wife; the property was uninsured so far as the landlord was concerned, but it was heavily insured by King himself; the superintendent of police came to me and reported the circumstances, stating, "There was very little doubt that this had been wilfully set fire to"; I said I did not think there was evidence enough to put him on his trial. I asked two or three of the magistrates to attend at my office, and we heard all the evidence which the superintendent of police gave us, and the magistrates came to the decision that there was no evidence sufficiently strong even to lead to a possibility of the grand jury finding a true bill, and they could not direct an information to be laid; four months afterwards, in last October or November, by mere accident, by an admission made by a prisoner who had been sent to Maidstone Gaol, who said, "Now I am here I may just as well say what I know about King's fire"; the governor of the gaol came, and he said, "I know something about King's fire; if the police will dig down the ground three feet they will find a lot of things buried there." The governor immediately communicated with the superintendent

dent of my division; they went up and found those things, and, on hearing of the circumstances, we considered there were grounds to send the case to a jury; we got up the evidence, and King and his wife had 10 years penal servitude.

4778. You had not paid the claim?—No.

4779. You were resisting the claim?—Yes; King did not send in his claim until three or four months afterwards; it was first sent in to myself; I referred his solicitor to the secretary of the Sun Fire Office, and their reply was that they should not pay the money, and in the meantime we heard of the things being found.

4780. What was found buried in the ground?—There was a bottle of camphine, and two or three inflammable matters of that kind. The value of the things altogether was not more than 2 *l.* or 3 *l.*

4781. Those were things that King had used for setting fire to the mill?—Yes. It was not a mill, but a house.

4782. You consider the defect of the law just now to be, that if any person were to prosecute a man on suspicion, he would run the risk of being himself proceeded against afterwards for a malicious prosecution?—Yes; he runs that risk. He is personally liable, and I have known a case where an action was brought. King was worth 2,000 *l.* or 3,000 *l.* The superintendent of police told me that King's attorney said to him, "Take care what you are about; if this fails, you will hear of it, and in a very different Court from this."

4783. You stated that a prisoner had given information with regard to the fire in King's property; how did he get that information, was he an accomplice?—He was scarcely an accomplice, but he was living in the same neighbourhood, and had been working for King, and it came out in this way. Mrs. King, one day, said to him, when he was digging in this very garden, "Do not go down too deep with your spade, for we are only going to put in a few flowers." Before she had said that, the man had hit something with his spade, and had said to the man who was working with him, "There is something hid down here." This other man was afterwards committed for another offence, and he gave this information.

4784. What would you suggest as an improvement on the present mode of conducting an inquiry into the cause of a fire?—I am of opinion that some official person should be appointed, with full powers to take evidence.

4785. Would you entrust that power to the coroner?—Certainly not to the coroner of a county, because I do not think, as at present constituted, that he is a good officer. He is a mere medical man in some cases, and in other cases a clerk to a solicitor. But it requires a person accustomed to deal with evidence to occupy that post.

4786. You would have this officer appointed for investigating into the causes of fires and nothing else?—Yes.

4787. Do you think that there would, in that case, be sufficient business for him in a county?—I should take either the magisterial division or the union district, giving in some cases 20 or 30 parishes, and in others 14 or 15 parishes, but not with the idea of keeping him fully employed.

4788. How would he proceed in a case of fire?—He would have the power of instituting an inquiry on the spot, and of summoning and examining persons on oath.

4789. Would you propose that that should be done in the case of every fire?—I think so; it would otherwise be invidious; I would leave the fire marshal to call evidence or not, but he should make an inquiry certainly in every case, otherwise the selected person might say, "You have no right to come and ask questions of my servants;" the inquiry should be assumed as a matter of course.

4790. But would you have him summon witnesses and a jury?—No jury; that would not be necessary; he should summon witnesses with directions, in every case, to report to the magistrate, and, if the fire was accidental, let him give a certificate to that effect; but, if he thinks that there are suspicious circumstances, let him take evidence and refuse the certificate.

4791. The witnesses would be paid, I presume?—Yes, I think so.

4792. And the officer would be paid, of course?—Yes.

4793. The tribunal would be attended with considerable expense, would it not?—Not with any great expense, I apprehend.

4794. How should the expense be met, in your opinion?—I think the expense should be met by a county rate.

4795. Do you think that the officer should be paid by salary or by fees?—By both; I should give him a small fixed salary by way of a retaining fee, and I should then pay him by fees, according to the number of cases he may inquire into during the year.

4796. In the event of such an officer being appointed, I presume you would have no claim paid until he gave a certificate that the fire was accidental?—Clearly so; but the payment of the claim or otherwise should not rest on the certificate.

4797. With regard to the case of culpable negligence, is that a point on which he should be called upon to adjudicate or impose a penalty, do you think?—Clearly not to impose a penalty; that must be left entirely to the magistrates.

4798. The officer would simply report to the magistrates?—Yes; he should report to the magistrates, and the after steps should be left to the magistrates.

4799. Do you not think the insurance companies should pay part of that expense, particularly where the property is insured?—I think not; a fire is an offence to the public at large; if my neighbour sets fire to his house, he may burn my house and destroy life, therefore, why should the insurance companies pay from a private purse for the public advantage.

4800. As I understand you, what you suggest is this, that an officer should be appointed, who, on the occurrence of every fire should make his appearance on the spot, summon witnesses, examine them, and try to discover the cause of the fire, and if it is a suspicious case, report to the magistrate?—Yes.

4801. But if it is an accidental fire, he gives a certificate to the owner of the property by which he is relieved from any further trouble?—That is so; I would not require him to call witnesses; he should have power to go to the house, and if he sees that it was a purely accidental fire, he may give a certificate without proceeding further.

4802. Mr. *Gorst.*] Would you have a man tried upon such an inquisition as that; suppose the coroner return a report of arson against a particular man, would you have him arraigned before a court of assize in consequence of that report?

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report?—I would have him arraigned before the magistrates.

4803. Would you make this a mere inquiry which was to conclude nothing against anybody?—It must be so in the first instance.

4804. But if in a case of death, the coroner's jury find a verdict of murder against a person, he can be arraigned on that inquisition, without being brought before a magistrate, can he not?—I think in case of fire, the fire marshal should not have authority to commit, but I would give him authority to sift the evidence, and to report the result of his inquiry to the magistrates of the division, who would then direct the prosecution.

4805. You would not allow the insurance claim to be any way affected by this report, would you; you would not allow the civil rights of the people concerned to be affected by it?—Certainly not; I would still leave the insurance company liable to an action for the civil claim, but I would give them an opportunity of calling the fire marshal to show that he had refused a certificate.

4806. On the other hand, a fire marshal might report the fire to be accidental, and yet the insurance companies might come into possession of evidence which would justify them in resisting the claim?—Undoubtedly; I would not let the certificate affect the rights of either party.

4807. In other words, this inquiry would not be conclusive against any one; it would be a bare inquiry for the purpose of eliciting evidence?—Just so; we cannot now get that evidence without an information is first laid.

4808. You do not think that the coroners in the counties would be efficient for the purpose of this inquiry into the causes of fires; do you consider them fit persons to make inquiry into the causes of death?—In many cases I do not; a surgeon cannot know well what evidence is.

4809. Is he not then a very unfit man to make an inquisition in case of death?—My feeling is, that he often is.

4810. Would it not be the proper course to have more efficient coroners in the counties, and to give them the power of inquiring into the causes of fires?—It might be so, but many members of the profession in the counties will not take the appointment of coroner; they do not like sitting in a public-house room, and taking evidence before men such as juries very often are; they do not like going and viewing dead bodies. I do not wish to mention the names of persons or places, but we look upon the coroners in certain places as occupying the lowest point in the profession.

4811. Mr. *Lusk.*] Assuming that it is a desirable thing to inquire into every case of fire, why cannot we get an inspector of police to do this as well as a fire marshal?—Because his present powers are not powers to take evidence on oath, and until a charge is positively made against some one, he can only go and ask what so-and-so says. In that case of King's he was very desirous to get the evidence of the only servant in the house, who was a relative, but we could not do it until we had a charge made.

4812. But suppose we gave that power in every case of fire to summon or bring before a magistrate the person in whose house the fire occurred, would not that meet the case?—No, because then you would throw on the police the responsibility, and I do not think that they are sufficiently able to take it; you must have a man better able to inquire into the case I think.

4813. Mr. *Turner.*] You belong to an insurance company?—Yes.

4814. Are you aware of a trial that took place in London on Saturday, before Mr. Justice Willes, of an attempt to defraud a London insurance company; he says:—"He had himself during the time he had been on the Bench tried a great number of cases in which persons had been convicted of arson for purposes of fraud, and he had tried other cases in which resistance had been made to the payment of insurance by fire offices under circumstances which made it clear to his mind that the assured had set fire to their premises. No later than last year he tried two of the latter class of cases. He had tried many of the former, and he was much afraid that there was a number of persons in this country who traded on the fears of insurance offices, and who went about taking houses and filling them with rubbish in the shape of furniture, on which they effected insurances, and then in case of fire, made enormous claims on the insurance offices, trusting that those offices would almost do anything sooner than resist a claim of that kind on account of the unpopularity to which it would expose them. That in fact was the real reason why the insurance company in this case had not prosecuted"?—I am not aware of the case.

4815. Mr. *Horsfall.*] I think you propose that for the counties there should be what is called a fire marshal?—Yes.

4816. But in large towns you would have no objection to the coroner's taking the duty, would you?—Even in boroughs and in large towns I should be more satisfied if a fire marshal was appointed by the Town Council. I think they should be two distinct offices.

4817. If the fire marshal were paid by fees, how would you take them?—I would take an average of years upon the number of cases.

4818. But not by the number of days occupied in the investigation?—I think that would be fair, perhaps. You might take the number of cases during each year, and the number of days that had been occupied.

4819. But what I mean is, that in each individual case you would not have the fire marshal paid by the number of days occupied in the inquiry?—I would not have that.

4820. *Chairman.*] Has the chief of the county constabulary in your district made any changes lately in the system of inquiring into the origin of fires?—Yes; Captain Ruxton has a system which is very complete, so far as it goes. I saw him lately, and he said, "I have adopted a system with my police, which, if made compulsory, would be very useful. Over every division I have a superintendent of police, and I divide that into subdivisions. Over each subdivision I put a sergeant. I then divide the subdivision into sections, and over each section I put an inspecting constable. I then divide the section into beats, and over that I put a constable, and if a fire happens, whatever it may be, whether a chimney or not, it is the duty of the constable on the beat to report to the superintending constable, and of the superintending constable to report to the sergeant, and every sergeant to report to the superintendent of police, and every superintendent of police to report to me. Against every one of those four men I put a D, if a fire is reported to me, and the D remains until the cause of the fire is ascertained, which means demerit. There is a mark of demerit against all the four men. If a fire were to take place in the beat of constable A, he has D put against his name, the superintending

superintending constable of that section has D put against his name, the sergeant of the subdivision has a D put against his name, and the superintendent, as being over the head of the division, has D put against his name; and until the fire has been reported upon, either as accidental or as arson, and the man committed for trial, that D remains. When the men come for a recommendation to the police force, those marks of demerit are counted against them, but if the fire is proved to be accidental, or the man is committed for trial, the D is supplanted by an M," which stands for merit.

4821. But do you think that it is fair to the constables that that should be done; would they not be apt to return every fire as accidental?—Yes; it either makes them not report upon a fire, or it induces them to say that the fire was accidental.

4822. Mr. *Gorst.*] Does it not stimulate their powers of invention?—I fear so.

4823. Mr. *Read.*] And does it not tend to increase the police rate?—This is a voluntary system adopted by the chief constable.

4824. Mr. *Kinnaird.*] What has been the practical result of this scheme?—From my knowledge, out of 10 fires no proceedings have been taken by the insurance companies in eight cases out of the 10.

4825. With all the assistance of those constables?—Just so.

4826. Mr. *Gorst.*] When you say that the coroner and fire marshal should not be one person, do you mean that there are efficient and respectable men in your profession quite willing to accept the office of fire marshal, who would refuse the office if that of coroner was tacked on to it?—Yes, I have no doubt of it.

4827. The duties of coroner are so disagreeable, and in some respects so ignominious, that you think it would prevent a fit man from accepting the office of fire marshal too?—That is entirely my view; I may add, with regard to the superintendent of police, if the fire marshal reported to the magistrate, the superintendent would be directed to lay an information, but the magistrate should have power to give the superintendent of police a certificate to say that he had had a sufficient cause to lay the information, and that should be a bar to all proceedings against him, as in a case of common assault the Bench have the power, if the verdict is for the defendant, to give a certificate, and that is a bar against all civil proceedings.

4828. *Chairman.*] Is there anything which you would wish to add to your evidence?—No.

Mr. Charles Freeman, called in; and Examined.

4829. *Chairman.*] In what capacity do you appear before the Committee?—I have been Surveyor to the Sun Fire Office for about 24 years.

4830. In that capacity, I presume, you have witnessed a great many fires?—I have seen a great many fires, of course.

4831. Have you witnessed any great fires in London of late years?—Yes.

4832. Will you mention which fires they were?—There was one fire, which was a very large one, in Tooley-street, in the year 1861.

4833. Will you state to the Committee some of the results of your observations of the great fire in Tooley-street, first with great regard to the construction of the buildings?—I observed, with regard to the fire proof floors in Hayes' warehouse, that they had been constructed on iron girders, resting on iron posts, and they were quite inadequate to prevent the progress of fire in buildings stored with merchandise; the iron columns being heated, the effect of water on them was that they collapsed, and the brick arches and the girders all fell down together; it did not stop the fire from its upward progress, and from the manner in which they fell, they tended to the more complete combustion of the articles in the warehouse than ordinary wood would, because the floors in that case fall closely, and there is a greater salvage.

4834. Mr. *Horsfall.*] Suppose the fire had begun in the upper part of the building, what would have been the effect?—In that case it has a good effect, particularly if the floor is incombustible; but generally in those warehouses they put a wooden floor on the top, and then, of course, it is not so effective, otherwise it arrests the progress downward of a fire.

4835. *Chairman.*] Your opinion, derived from experience such as that of the fire at Tooley-street, is that iron should not be used in fire proof warehouses where combustible materials are stored?—Not exactly so; but that a horizontal division of that sort is not efficient in a warehouse stored with merchandise; but I would make a reservation: although they are not useful or perfect for warehouses, they are exceedingly good for ordinary dwelling-houses and shops in which the goods are not so combustible, and not so large in quantity. No doubt many of those floors either what they call Fox and Barrett's floors, or Dunnett's arches, are very good, and quite sufficient for the purpose of arresting flame in dwelling houses.

4836. Of course you mean cast iron, and not malleable iron?—I think there is very little difference between them; cast iron flies, and wrought iron bends.

4837. You say that fire-proof floors are good in dwelling-houses?—Very good, and for chambers.

4838. Are you aware how the floors are constructed in France?—I have seen a great many instances, and I never knew them fail.

4839. Do you think that it would be an advantage to introduce similar floors in this country?—A very great advantage; I think it would be desirable to do so in all lodging-houses.

4840. Are you aware of any large warehouses or shops in this country where those who are employed in the shop live on the premises?—A great many; in the large drapers' shops they have an enormous number; very often 50, 60, or 80 people living on the premises.

4841. Are you aware whether any provision is made in such premises for saving those people in case of fire?—No, there is not generally any provision made for that.

4842. Do you think it would be an advantage to compel the owners of such property to make a provision for saving life in case of fire?—I think they ought to be made to do so, decidedly; especially where so much life is at stake, and such

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such an enormous quantity of merchandise; these large drapers shops and warehouses have no subdivisions, and are not controlled with regard to sizes as the warehouses proper are.

4843. Is there any plan which you, as an architect, would suggest for saving life in those cases?—A fire proof-floor between the place of merchandise and the dwelling part with proper stone staircases, inclosed in brick walls, would be an improvement.

4484. Of course you would approve of the fire escapes of the Royal Society for the Protection of Life and Property from Fire?—They are very good indeed.

4845. But with those large warehouses they would be of no use, I suppose?—No; the places are so very high that they are scarcely accessible by those escapes.

4846. Are you aware of any fire escapes being ever built into the walls of houses?—I have never seen any. They have iron ladders; I think they would be very good things in many cases, but hardly available for females.

4847. Are there none of those iron ladders built into the walls in some of those high houses which there are in London?—No, not in London. I have seen them applied to party walls, on roofs where one roof is higher than the other, but the objection is that it is an accommodation for thieves as well as an escape from fire.

4848. But there are other kinds of fire escapes where ropes are thrown out of the window, so that a person could slip down, are there not?—Yes. They are all very useful in their way. Anybody with presence of mind can have a chance of escape, which is better than nothing.

4849. But very often just when they are wanted they cannot be found?—Just so, but really the greatest requisite is that the access on to the roof should be from a room instead of from a staircase. You may have a whole family in a room and shut the door, and have time to escape, whereas if it is on a staircase, the moment it is opened there is such a draught and such a heat that no one can escape. I think that there should always be an escape from one room to the top of the house.

4850. Mr. *Gorst.*] Are not many roofs too steep for people to escape by?—They are not generally so in large houses, except in what we call curb roofs, which are adopted in private houses, but not in public warehouses.

4851. *Chairman.*] What is your opinion of the advantage of iron doors in fire-proof warehouses?—The iron doors prescribed by the Metropolitan Building Act are not of much service in cases of mercantile buildings; that is to say, when dividing warehouses like the ordinary warehouses of the docks; they are so close together that not in one instance out of 100, in the Tooley-street fire, did one of them continue equal to the task of stopping the fire from going to the adjoining warehouse.

4852. Mr. *Horsfall*] Are not outside iron doors an advantage in a street?—Decidedly they are an advantage outside, because there is no immediate contact with the goods.

4853. But in a street where there are houses on the other side, have you known instances of warehouses opposite taking fire from the heat being attracted to the wooden doors on the opposite side?—Yes; they are not considered safe.

4854. Do you not consider it an advantage to have outside iron doors where there are warehouses on each side of the street?—Yes, decidedly, wherever they are within a distance of 30 feet, and that is one of the "requirements" of the fire offices.

4855. *Chairman.*] Since you do not approve of iron for fire-proof warehouses, what materials would you recommend as the best for the construction of such buildings?—I will read the requirements of the fire offices with regard to the docks and warehouses: "Requirements of the Fire Offices; for the improvement of risks and reduction of premiums. 1. That no warehouse or shed hereafter built shall contain more than 216,000 cubic feet, and shall be built according to the regulations of the Metropolitan Buildings Act. 2. As respects existing buildings, the cubical contents of which exceed 300,000 feet, the dimensions allowed in connection with the reduction of premium, shall be subject to special arrangement with the committee of offices, who, under the advice of their surveyor, will take into consideration any special circumstances. 3. That party or division walls, as they now exist, are to be, or are to be made perfect, without openings in them of any kind, except as provided in condition No. 4, and to be continued through the roof to the height of five feet at least above any gutter adjoining, and 3 ft. 6 in. above any portion of the said roof." That makes a complete warehouse of itself. "4. That communication between two warehouses may exist, if approved by the surveyor, either by a gangway of stone, iron, or other incombustible material, provided the distance between the openings in the warehouses is at least five feet, and that each opening is protected by an iron door set in jambs of incombustible material, or by a stone staircase, if the two warehouses are in the same occupation, provided the entrances or openings be not less than 10 feet apart, and each protected by an iron door hung or set in jambs of incombustible material, and provided in either case that the same is surrounded by an otherwise perfect brick wall of sufficient strength and thickness. 5. That all external spouts or eaves gutters be of incombustible materials. 6. That the roof be covered with slate, tile, metal, or other incombustible material; the penthouse of iron, stone, or slate; the cathead of iron, or inclosed within the penthouse by an iron drop. 7. That when two wooden platforms of different wharves adjoin, a division wall of incombustible material shall be built to separate the woodwork of one from the other. 8. That wherever openings in external walls exist in a street, way, or space less than 30 feet wide, wherein other warehouses or buildings of equal or greater risk are within a distance of 30 feet, measured from the two nearest openings, unless the said buildings be on a horizontal line the one with the other, the said openings shall be protected by doors or shutters of iron, hinged on jambs of incombustible material; and all openings which are within a distance of eight feet, measured in a horizontal line from other openings in an adjoining warehouse or building of equal or greater risk, shall be protected by iron doors or shutters as aforesaid; provided nevertheless, that in the case of granaries or warehouses, wherein a circulation of air is essential to the preservation of the goods, iron hoppers of approved construction may be substituted for the shutters aforesaid. 9. That provision be made for an ample supply of water

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on the premises. 10. That a proper classification of merchandise be made, viz.:—1. Saltpetre and nitrate of soda to be deposited only in separate and approved vaults or stores. 2. Hemp, jute, and other fibres, not to be deposited in any warehouse with other goods, but in separate and approved buildings. 3. Hazardous and non-hazardous goods not to be stored in the same warehouse. 4. General goods to be stored separately, according to their class." That was the report adopted after a great deal of consideration, and of course it was sanctioned by the committee of offices, and it has generally been acted on in London, more or less, for the purpose of improving the warehouses and docks in London.

4856. Can you mention any warehouses or docks in London, in which those suggestions of yours have been applied?—To a great extent, they have been adopted both in the docks and public wharfs; the old warehouses could not comply with those requirements exactly, but they have done a great deal. A large portion of the fire in Tooley-street was composed of 30 warehouses, belonging to Messrs. Scovell, known as Cotton's wharf, and Depôt wharf. That has been rebuilt entirely on the principles set forth in that paper, and consequently that is at present one of the very best risks with regard to fire in London; every warehouse is now entirely distinct, with all the doors and windows of iron opposite each other, and the parapets are carried through the roof, so that any one warehouse might be burnt down from the top to the bottom without the slightest probability of an extension.

4857. Have you been at any fires in any warehouse where your principles have been applied?—We have had a very small fire in this wharf, which was stopped at once; we have had several fires in those warehouses that have been only improved, and the effects of the alterations have been beneficial; but none in those wharves that I speak of as newly built.

4858. Mr. *Agar-Ellis.*] Do you find that stone is as durable as brick in case of fire?—No; stone shatters very much, and granite stands worse than any other stone, though that is not generally known.

4859. Mr. *Horsfall.*] Under your first classification of dangerous articles to be deposited only in separate and approved vaults or stores, you mention only saltpetre and nitrate of soda; why do you mention only those articles?—Because they are especially hazardous when mixed with other goods.

4860. Are they more dangerous than petroleum, or any other such oils?—Petroleum is very dangerous, but the storage of petroleum is almost prohibited in any warehouse in London by the fire offices; it is always kept in separate stores, because the very nature of it is so strong as to require separation.

4861. You thought it unnecessary to put in petroleum?—We have a list of hazardous goods, which shuts out petroleum from these ordinary warehouses.

4862. *Chairman.*] When did you publish those "Requirements"?—About the end of 1861 or 1862; in fact, it was in consequence of that fire at Tooley-street that it was adopted.

4863. Mr. *Horsfall.*] The date of the publication was before petroleum came into use to any great extent, was it not?—Yes; certainly it was known, but not to any extent.

4864. *Chairman.*] Are there any means that you could suggest to the Committee for preventing the occurrence or spreading of fires?—The thing that I have the most confidence in is this structural arrangement that stops the spread of fires better than any other means; but, of course, if you could get at the cause of a fire, you might be able to suggest other means of stopping it; but that is the great difficulty.

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4865. Would you say, then, that the best means known was limiting the size of the warehouses, and isolating them?—Limiting the size of warehouses is most important.

4866. And isolating them also?—Yes.

4867. Making them independent buildings?—Yes; confined within a certain space, so that they can only get a certain amount of goods within that space.

4868. Are the warehouses of the railways and the docks subject to any particular regulations?—They are exempted from any Act of Parliament, I think, except their own.

4869. Do you think it desirable that they should be subjected to some regulations?—It is most important that they should be subjected to legal regulations.

4870. With regard to your risks in the country, you strongly disapprove of thatched roofs, do you not?—I think they are productive of a great deal of damage, and fires occur more frequently from them than anything else; the fire spreads very rapidly, and involves a class of persons in loss who are very seldom insured, so far as the tenants go; they are very bad things.

4871. Are there any suggestions that you can make to the Committee with regard to thatched roofs in the country?—There are one or two Acts of Parliament which apply to the case; I think there is one at Exeter, and there is an Act of Parliament for paving, and otherwise improving, the town of Honiton, passed in the 30th of George the Third, in the year 1790, and there is a clause in that Act to the effect, that no person shall cover, or cause to be covered, any building within the town in whole, or in part, with straw or thatch, under a penalty of 5 *s.* a day for every day it shall be suffered to continue; I have myself seen seven or eight instances of half a parish burnt down; 30 or 40 small houses burnt from a fire originating perhaps from the dropping of hot ashes into a dust-bin, or a spark from the chimney falling on the thatch; I remember one at Whittlesea, one at Cottenham, in Cambridgeshire, and one at March, but Devonshire and Dorsetshire are the counties in which thatched roofs most prevail now.

4872. But do you advise the Sun Fire Insurance Company to take the risk of houses that are thatched?—I do not interfere, but they are not so objectionable. If they are detached as well as thatched, we must then leave the fire offices to take care of themselves.

4873. You think that the fire offices should not take those risks?—I do not say that; but there is very little excuse now for thatching; it is as expensive almost as tiling or slating.

4874. But do you think that the fire offices should not insure any house that is thatched?—They do insure them, but they charge a much higher rate, and the Sun Fire Office take a little of that risk as they can unless it is for old friends and customers. To others they put such a rate on that they go elsewhere; but you can always get insured.

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4875. In examining into a building after a fire, have you ever seen anything to excite suspicion with regard to the causes of the fire?—Of course I have observed such cases, and tried to find out the cause; a great many fires are from bad construction, from putting timber too near the flues, and a great many from the flues wearing out; our regulation flues are very small, and the constant sweeping wears away all the parget, and allows the heat to escape; the effect of heat on wood is much greater than is generally thought, and that causes a great many fires.

4876. In the case of heating houses and shops, workshops particularly, with hot water, do you think there is any danger from the wood, in time, becoming dessicated?—No doubt if it is not well done, and if the hot-water pipe comes in contact with the woodwork; I have seen numerous cases where even the hot-water pipes that supply a bath, being put behind the wood, have completely charred the wood for the whole line of the pipe.

4877. At what temperature was the water?—That I cannot tell, except that it was above boiling heat; there was a case in St. Paul's Churchyard where a place was burnt down from the hot-water apparatus.

4878. But suppose the temperature of the water is not raised above 150°, do you think it would have any effect on the wood?—I think it would; I saw a large warehouse in Manchester supposed to be burnt down by hot-water pipes. On one occasion I put some gauze around a pipe, and in 20 minutes the gauze was on fire.

4879. Then the temperature must have been considerably more than 212°, must it not?—Yes, the water must have been under great pressure; but that is very difficult to control.

4880. Mr. *Read.*] How far was the pipe from the furnace where you tested that?—I should say about 30 feet.

4881. Was it filled with water at the time?—Yes, it was filled with water; it would burn the skin off your hand; it would ignite touchwood.

4882. But to have set the gauze on fire the pipe must have been red-hot, must it not?—No, nothing of the sort; it would never get red hot; I know a case in London in a draper's shop where a quantity of small fluff got down between the pipe and the counter, and it was actually taken out all on fire.

4883. You would say, then, that those flues were not properly constructed?—There is a regular pattern for furnaces; I have seen many cases in the country where we have had fires supposed to arise from hot-water pipes; I remember one case where Sir Charles Barry was concerned, that occurred by the water failing to go into the boiler.

4884. *Chairman.*] But have those fires occurred always where there was one and the same system of heating?—No, I cannot say that. The pipes must be kept from the wood, and the furnace boiler must be kept in a fire-proof chamber, to render the process at all safe.

4885. Were those small pipes or large pipes?—They were small pipes.

4886. The small pipes are far more dangerous than the large pipes, are they not?—Yes, I think so, as a very high pressure must be attained to obtain sufficient heat.

4887. Did you ever know a case of any fire occurring where large pipes were used?—No, I never knew it proved that it had taken place from the pipes; but I ascertained that where the fire occurred with that gauze the pipe was four inches in diameter; any gentleman who has a conservatory or hot-house may try that, and I will undertake to say that he will be satisfied that such is the case.

4888. Do you know what temperature the water must be raised to before the gauze would take fire?—No, I cannot say that; but if you wrap silver paper round a hot-water pipe it will gradually disappear.

4889. At what temperature would that happen?—I cannot say; it is very difficult to get at it; I know that the late Mr. Braidwood, with whom I worked for many years, was quite confident on this subject, that there was no absolute safety in hot-water pipes; of course steam pipes will do it, and hot-air pipes will do it; I do not think that there is any difference between them except a difference of degree.

4890. Mr. *Agar-Ellis.*] Do you know of any case of a hot-water pipe bursting?—No, I do not remember any. I have known many cases where they have blown a cistern up or a cap off.

4891. *Chairman.*] Are you aware of there being a great increase of fires of late years?—I only know what has been publicly stated. My own observations in London is that they have rather increased than otherwise. Taken rateably with property; it is difficult to say. But I do not think that they have been so serious in London, though there are more of them than there used to be.

4892. I think I have asked you whether in investigating any building after a fire had taken place, you have seen anything to excite your suspicion with regard to its being other than accidental?—I have seen many cases where we suspected it was not accidental, but I think in a good many of them there is what is called giving the place a chance to take fire; for instance, a man goes out and leaves all his gas turned on.

4893. Do you think it difficult under the present law to discover the causes of fires?—Yes, I think it is very difficult. If a man means to set fire to his place he takes precautions not to be found out; it is not so easy to burn a house down, but it is very easy to set fire to it. I have known cases of shops left at night with the gas burning in one or two burners, and all the others open, and then a fire takes place, and there is an affectation of astonishment. It seems all right. The firemen know nothing about the cause, but they find all the gas taps open; that I call a suspicious case.

4894. Did you ever know a case of a man blowing gas out instead of turning it out?—I never heard of that.

4895. What would you suggest as the best means for ascertaining the causes of fires?—I have heard something of what has been going on here, and I am inclined to think that there ought to be an inquiry after every fire, that the parties interested in are not satisfied about. I think to make it universal would be expensive and objectionable, but whenever there is any ground of suspicion on the part of the police, or the firemen, or the office insuring, there ought, I think, to be an inquiry conducted by some independent party who, I think, should be a barrister, and it ought to be done without any complicity with the fire offices. The less they appear the better for them, and the public would be better satisfied without them. It should be like a Coroner's in-

quest

quest; there is no necessity for an inquiry if it is a natural death, or a natural fire.

4896. But who is to determine whether the fire is a natural fire or not?—I think, that supposing I go myself to a house insured in the Sun Fire Office, and I am quite satisfied that it is all right, the office is satisfied to pay, and the public might be satisfied too. Taking the houses of gentlemen of the best character, where a fire is perfectly accidental, I think it would be rather offensive to have an inquiry into a case of that sort.

4897. But would it not be equally offensive to have an inquiry in some cases, and not in all; it would be invidious, would it not?—No doubt to some extent it would.

4898. In the case of a fire on property that was not insured, you would not be called in to assess the damage; who would you propose should institute the inquiry in that case?—Some person interested. I have myself had to look after 400 fires a year in London, merely in dwelling houses, and it would be an endless job to have an inquiry in every case.

4899. But might it not be safely left either to the fire brigade or to the police to say whether there was anything suspicious about a fire?—Yes.

4900. And if they found anything suspicious, they could report it to the officer appointed to hold the inquiries?—Yes, that is what I suggest. We have many cases where there are fires from a piece of timber taking fire under the hearth-stone, which breaks; there is no occasion for an inquiry at all, that I can see, in that case.

4901. Do you know of any cases where dwelling houses have been set on fire by the carelessness of servants?—Very many.

4902. You know of such cases?—I have very strong grounds of suspicion that it is so.

4903. If that carelessness was found to be culpable, should there not be some fine or punishment?—I think there should be some moderate fine. There is a fine provided now, but it is 50*l.* or 100*l.*, and that is useless in the case of a domestic servant. I think there should be a fine for gross carelessness; if it were put up as a notification in every house, it would make the servants more careful; and that should apply also to the workmen in buildings who have to lay the timber. It is understood, under the Building Act, that no timber is to be put within eight or nine inches of the flue; there is no punishment for that, though it is constantly done, and the workman constantly escapes, whereas if he knew that he was liable to a fine of 5*s.* or 10*s.*, it would prevent a great many such things.

4904. In what class of buildings do you find fires most numerous?—In what we used to call third-class building houses, 20*l.*, 30*l.*, or 40*l.* a year.

4905. Dwelling houses?—Yes, dwelling houses and small shops are most prolific of fires.

4906. Do you think that many fires arise from carelessness?—Yes, fires arise very much from wilful carelessness.

4907. You have strong grounds for suspecting that?—There is very little doubt about it; if you look to the amount of money insured and the quantity of stock, and find that the people are not doing well, they want a ready market, and there is no more ready market than a fire office for bad or unsaleable goods.

4908. But the insurance offices generally pay claims without much inquiry, do they not?—Yes, they pay, but not without inquiry.

4909. Are they, in your opinion, right in doing that?—If I said what I thought, I should say not; they ought not to do wrong that good may come; but they suppose that it would injure their business, and so they think it best to pay, and put the people on the black list.

4910. Mr. *Read.*] Is it the custom to publish the black list to other offices?—I think there is a sort of freemasonry among a certain number of offices, but they will not do anything that would subject them to an action for defamation.

4911. Mr. *Lusk.*] Do you think that some structural restrictions, similar to those of the Metropolitan Building Act, ought to be applied to the whole country under some new building Act?—It would be very advisable, I think, but it would require immense modification.

4912. But you think it would be advisable to have a general building Act applicable to the whole of the country?—I think it would be decidedly advisable, but that of course would not be the same in detail as the Metropolitan Building Act.

4913. It must accommodate itself to the case of the country?—Yes. I think the preamble of the Building Act, which says that it is for the prevention of fires, might reasonably extend to all the country.

4914. Lord *Richard Grosvenor.*] Are you aware whether the Building Act is very much evaded at present in London, particularly with regard to the geometrical contents of the warehouses?—I think not in buildings such as warehouses; it is occasionally evaded by what they call making an addition; that is to say, they build a warehouse within the 216,000 cubic feet, and when they have done it, they give notice for an addition, they put on another storey, which the Act does not contemplate, and so they get a greater area than they ought to have; it is to counteract that, that the fire offices have made their own "requirements" with regard to the premises.

4915. In such cases as you refer to, would it not be the business of the fire-office surveyor to bring that before the notice of the district surveyor as an evasion of the Act?—The district surveyor would only say that it is according to the Act, and it is so; there is nothing in the Act to prevent it; it is an evasion, but it is not contrary to the Act. They have a very ingenious evasion now of the Act, which says, that a warehouse roof shall not be built at an angle of more than 45 degrees, so that you shall not have a storey in the roof, now they build them to a great height, so that they get two or three storeys in the roof, enclosed merely with timber and slate.

4916. Mr. *Gorst.*] In those kinds of evasions, if a case were brought before the police magistrate, would he decide that it was not a breach of the Act?—Yes; the district surveyor having allowed it to pass.

4917. As a matter of fact, has such a case as that ever been brought before the magistrates?—Yes.

4918. And have they confirmed the opinion of the district surveyor?—Yes, it is clearly not at variance with the Act; the Act allows it indirectly.

4919. Mr. *Lusk.*] The magistrates tell you that you need not take the risk unless you like, I suppose?—Yes. There is the same thing in the

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City under the Dangerous Act; if the district surveyor says it is right, the magistrate says that he has no power to interfere.

4920. Mr. *Read.*] Let me ask you whether an isolated farm building, which was built of wood and filled with straw, would be very much more fire proof whether it was covered with tile or slate, than if it was covered with thatch; a great many farm buildings are built with wood and filled with straw, are they not?—That is very generally the case.

4921. You do not approve of thatched roofs?—No, not where there are other buildings in the neighbourhood; but a thatched cottage is a very pleasant thing in itself.

4922. Do you think that a building constructed of wood and filled with straw, would be more fireproof if it was covered with tiles or slates than if it was covered with thatch?—It would be less liable to accidental fire, I think; a great many of those farm fires are caused maliciously, and the thatch gives great facilities for setting fire to it by lucifer matches, or a pipe from the outside, whereas with brick walls and tiled roof they cannot do it, they must get inside to do it.

4923. If a man was going to set fire to a farm building, he would not set fire to the roof, but to the wood or to the straw?—Just so; they generally set fire to the haystacks, but it is more as a protection against sparks that I speak of the roof; now they work steam engines close to the barn for thrashing, for instance, and that is very dangerous.

4924. *Chairman.*] Are you aware of spontaneous combustion being a common cause of fires?—There is very great doubt upon the subject, but I have inquired a great deal into the subject among the warehousemen, and my impression is, that those fibrous goods if properly packed are not liable to spontaneous combustion, but if they are damp or oily and get heated, there is no question that they are liable to spontaneous combustion.

4925. But suppose the goods are improperly packed?—They are then liable to spontaneous combustion, they fire as hay fires, from being put up too soon.

4926. Mr. *Lusk.*] Twenty years ago, spontaneous combustion was never heard of, was it?—No; but 20 years ago a great many things were not heard of.

4927. Perhaps chemistry was not so far advanced, and incendiaries were not so clever as they are now?—Just so; they are always finding out something, or fancying that they do. With regard to jute; after the fire in Tooley-street, there were large piles of damaged jute which had been laid in piles for a fortnight or three weeks, and on being lifted up to be carried to the barges, as the air passed through the baskets they burst into flames.

4928. Mr. *Gorst.*] Those were oily, I suppose?—They might have been.

4929. *Chairman.*] Do you know of any recent case of spontaneous cumbustion from sawdust being mixed with oil?—Yes, I have got a sample here to show you (*producing the sample*). This came from Messrs. Preston's, the wholesale druggist, of Leadenhall-street; that will show what might have caused a serious fire; the dust-bin is a hole built in the ground near the warehouse door, and though well suited for its purpose, it has a wooden trap, which comes in contact with the door; this rubbish is said to have been taken away last week, so that a few hours might have produced a case of spontaneous combustion; this is sawdust and castor oil; I have known myself several instances where spontaneous fire has occured with cotton waste; at Meriton's fire they had jute on one floor, and a quantity of rape seed; the men cannot walk on rape seed, because it is slippery, and they tie cloths on their feet, which become oily; when they went away at night they stuffed them into the jute, where they could find them the next morning, and there is strrong suspicion that on one occasion that was the cause of a fire.

4930. Is there anything that you wish to add to your evidence?—In the event of this proposed inquiry being instituted after every fire, I think the fire offices should be protected from actions at law pending the inquiry, and perhaps restrained from paying any money on account of a fire until the case is reported on. The mere inquiry would not stop an action on the policy, but the offices would not like to be accused of holding back the payment of the money simply on the ground of there being an inquiry, unless they were protected by an Act of Parliament.

4931. Mr. *Agar-Ellis.*] How long do the offices take in paying a claim after a fire has happened?—On buildings in London, they are protected for a certain time; but on all goods and merchandise they pay immediately the claim is settled. In the Tooley-street fire, they paid losses within two hours after the goods were burnt; and, on the production of a warrant that certain goods were on the premises, they pay the money at once. When they dispute a claim, of course, the money is paid immediately on the settlement.

4932. Mr. *Turner.*] Is it not common, in the case of losses of goods from fire, to pay money on account; for instance, if a man has 10,000 *l.* insured, before it is settled the offices pay immediately 5,000 *l.* or 6,000 *l.* on account, leaving the balance to be paid on the settlement of the claim?—I think generally they pay the claim in full, if it is settled; but if it is not settled, no doubt they at times pay a large sum on account, and leave the other points for adjustment afterwards. I think it is of great importance to the offices that they should have a uniform practice in such respects.

Mr. Alfred Baddeley, called in, and Examined.

Mr. *A. Baddeley.*

4933. *Chairman.*] In what capacity do you appear before the Committee to-day?—As superintendent of the Holloway Volunteer Fire Brigade.

4934. How long have you been in the Holloway Volunteer Fire Brigade?—For upwards of three years, but I have been attending London fires for upwards of 15 years.

4935. Do you mean in connection with the Fire Brigade of London?—No; in connection with the Royal Society for the Protection of Life from Fire. My late father was inspector to the Society and he met with accidents at various times, and during the time he was laid up I took the duty for him, and assisted him generally in the performance of his duties.

4936. Has

4936. Has your experience of fires led you to form any opinion with regard to the increase or decrease of fires?—From the accessible statistics, I find that fires have been steadily on the increase for some years past.

4937. What do you attribute that to?—I attribute it first to the impunity with which incendiaries escape; and, secondly, to the insufficient means of protection against fire in the metropolis.

4938. What do you mean by insufficient protection in the metropolis?—There is not a sufficient number of engines.

4939. But I believe the number of engines is on the increase, is it not?—Taking into consideration the number of parish engines that have been withdrawn in consequence of the passing of the late Act of Parliament, there is not a large increase.

4940. Are the stations not being increased in number?—They are being increased in number now; but, considering that many of the parochial fire engines have been withdrawn, the increase is not very great.

4941. Do you think it would be advisable to have a greater number of fire stations in the metropolis?—Yes.

4942. Would you propose that there should not be so many steam engines, and a great many more smaller ones?—I think hose-reels and what are called light manuals might be employed with great advantage. They can be moved about rapidly by hand, and can be very quickly and cheaply applied.

4943. When was the Holloway Volunteer Fire Brigade established?—In the year 1864.

4944. How many fires have you attended since the brigade was established?—We have attended 83 fires, 42 chimneys on fire, and 21 false alarms, making a total of 149. In 42 cases the Holloway Volunteer Fire Brigade arrived before any other engine, and in many cases stopped the fire.

4945. There is a station of the Metropolitan Fire Brigade in Holloway, is there not?—The nearest Metropolitan Fire Brigade station is a mile and a quarter distant from the station of the Holloway Volunteer Fire Brigade.

4946. Mr. *Agar-Ellis.*] Where is your station?—Near the corner of the Seven Sisters-road.

4947. *Chairman.*] I suppose, in the other cases, the ordinary fire brigade arrived before you?—Yes.

4948. Did the precedence of one before the other arise from the one party getting notice sooner than the other?—Yes. In those 42 cases which I have alluded to, where the Holloway Volunteer Fire Brigade were first, they were fires that occurred in their own immediate neighbourhood, and they were there before any call could have arrived at the nearest station of the Metropolitan Fire Brigade.

4949. But you would not say that the Metropolitan Fire Brigade were remiss in their duty at all?—Not at all.

4950. It was pure accident that the Holloway Fire Brigade arrived first?—Yes; owing to the distance, it would have been impossible for the Metropolitan Fire Brigade to get there sooner.

4951. But the fault you find is, that they have not got a station nearer to you?—Just so.

4952. Do you find, in cases of fire, that the turncocks turn out readily?—At Holloway they turn out very promptly, and only on one occasion have we had any complaint; that was a very special case.

4953. What was that case?—A fire occurred in some carcases in the Seven Sisters-road, and we were nearly an hour and three quarters before we obtained a drop of water, and three or four engines had come from the City. The reason of that was that the mains were only just laid down, and the turncocks did not know the means of getting a supply quickly.

4954. That was from ignorance and inexperience?—Yes.

4955. Is there anything that you would suggest to improve that state of things?—I think it would be advisable to have some means of communicating with the turncocks readily, either by telegraph or having a deputy turncock resident at some of the stations.

4956. How would it do to train some of the fire brigade as turncocks?—I am doubtful about that; at Holloway we are supplied from the service and not from the main plugs, the pressure is so great that it is impossible to keep the plugs in the mains; we have to wait until the turncock turns the water on, and shuts the other cocks down before we get the water, and it requires a knowledge of the mains, which are very intricate, to be able to do that; I should be afraid to instruct any of my own men in the management of the mains.

4957. Have you ever found any jealousy between the Volunteer Fire Brigade and the Metropolitan Fire Brigade?—There is a certain amount of jealousy.

4958. Do you think it is a laudable jealousy?—Perhaps so.

4959. But at times it breeds ill-will perhaps, or perhaps causes confusion at fires?—No, I cannot say it causes confusion at fires, but we are not shown any encouragement.

4960. What kind of encouragement would you like?—On arriving at any fire, we are always quite ready to assist and work with the Metropolitan Fire Brigade, but on the other hand we can get little or no assistance from them.

4961. But of course you would put the Volunteer Firemen under the superintendence of the leading man of the Metropolitan Fire Brigade?—Most decidedly.

4962. You think that there should be only one authority at a fire?—Certainly.

4963. That jealousy between the two corps, may have arisen perhaps from each party wishing to act independently of the other; is there anything of that kind do you think?—Not in my own experience; that may have been so elsewhere.

4964. Is there anything that you would suggest, with regard to the supply of water in your district of Holloway?—No; the supply of water at Holloway is particularly good, there is more than we can use; the pressure is so great that we have some difficulty arising from the enormous pressure that we have to deal with.

4965. You have had to deal with the protection of life from fire I suppose, judging from your connection with the Royal Society for the Protection of Life and Property from Fire?—Yes.

4966. Do you think that society is conducted properly just at the present time?—Yes, I think it is as perfect as possible; I would only suggest that its operations should be more extended.

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4967. But is not the cause of its not being extended the want of funds?—Quite so.

4968. You are aware, I suppose, that the Metropolitan Board of Works can take over, if they think proper, the management of that society?—Yes, by virtue of the late Act of Parliament.

4969. Do you think it would be advisable for them to do so?—Yes, but I think it would be advisable that the whole of the fire escape men should be kept to their duty, and not shifted from their stations, except for misconduct, or at their own request; the men naturally become acquainted with the buildings near their stations, and the best modes of rescue, the nearest road to take to a given spot, and in the event of a road being under repair, the fire-escape man knows how to avoid obstructions; he also becomes known to the residents, and he is sure to have a prompt call in case of fire.

4970. You would not have the fire-escape men mixed up with the fire brigade?—No.

4971. And not under the same management?—No, I think not.

4972. Do you think that they are properly provided at the present time with appliances for assisting at extinguishing fires?—It would be a great advantage, I think, if they were furnished with hand pumps; they get to the fire sometimes before an engine can get there, and many cases have occurred where, had they had such means at hand, the fire would have been stopped at once.

4973. Is there any means that you would suggest for preventing the increase of fires?—I think it would be a great advantage if a judicial inquiry was held after each fire; the late Mr. Braidwood said, that "one of the greatest preventatives of fire would be a legal inquiry into every case, because it would show the faults that had been committed, and so warn others, and the idea of being exposed in the newspapers would be another inducement to increased care; I think that the proceedings of Mr. Baker, the Fire Marshal in New York, have led to most useful results; Mr. Payne, the Coroner for the City of London, held inquiries on fires some years ago, which were highly advantageous, but they were given up because the City would not allow his expenses."

4974. You quite coincide with the opinion of Mr. Braidwood and Mr. Payne on that subject?—Quite.

4975. You say that there should be an investigation into the cause of every fire; do you mean that the party investigating is to be the coroner, or some party appointed to summon witnesses and a jury?—I think there should be an inquiry into at least every doubtful or unknown fire, at the instigation of the police.

4976. Before whom should that investigation be conducted, do you think?—Before the coroner of the district.

4977. But there would require to be a previous investigation, would there not, before you would be able to decide whether an inquiry before the coroner should take place or not?—That inquiry might be made by the officers of the Metropolitan Fire Brigade, who would be the best persons to form a judgment.

4978. I suppose if they reported that it was an accidental fire, then the investigation would go no further?—Just so.

4979. But if they reported that there was something suspicious about it, the police would take it up and bring it before the coroner?—Yes, that is my meaning.

4980. Then, with regard to the coroner, how do you think he should be paid, by a fixed salary or by fees?—I think by fees out of the county rate.

4981. By fees entirely?—I think so.

4982. Would you approve of a public prosecutor being appointed?—I think that a public prosecutor ought to be appointed so as to take the onus off the fire insurance companies; many incendiaries have escaped from the known unwillingness of the insurance companies to prosecute.

4983. You think that the insurance companies should have nothing whatever to do with the inquiry?—Nothing whatever, beyond possibly furnishing witnesses.

4984. But have not incendiary fires been rather encouraged than otherwise by the conduct of the insurance companies?—No doubt they have.

4985. I mean by their unwillingness to prosecute?—Yes.

4986. Is it not the fact that they have paid claims even though they have had suspicions that the fire was an incendiary fire?—They frequently compromise a claim which they feel pretty sure is what is called "a black case," rather than go before the public as prosecutors.

4987. Mr. *Agar-Ellis.*] You have stated that you have got a very good pressure of water at Holloway, have you not?—Yes.

4988. Do you ever put out a fire without an engine?—We have only used an engine at one fire; we use a stand pipe fixed in the main.

4989. At what distance can you put out a fire?—We can throw two 1 inch jets 70 feet high in many parts of Holloway.

4990. Your engine is a manual engine, I suppose?—Yes.

4991. With respect to the jealousy between the Volunteer Fire Brigade and the Metropolitan Fire Brigade, did you ever see a case of a volunteer engine having to move off in favour of a Metropolitan Fire Brigade engine?—No, never.

4992. You never knew of such a thing?—No.

4993. Mr. *Lusk.*] You have stated that you think fires are on the increase?—Yes, I think they have been steadily on the increase for years past.

4994. Is that from incendiarism?—There is no doubt that incendiarism may be put down as one of the chief causes.

4995. Have you seen many cases where you really suspected that it was a case of incendiarism?—Yes, nine cases are put down as doubtful in our own Fire Brigade Report.

4996. Insufficient protection is another cause of fires, you say?—Yes.

4997. Whose fault is that?—I do not know that it is any person's fault, but the protection of the metropolis has been very much neglected until recently.

4998. Are the old parish engines and appliances withdrawn?—Not altogether; but in some cases they have been withdrawn, and no other engines have been placed there instead.

4999. Mr. *Gorst.*] Will you give the Committee an instance of that?—In Marylebone-lane, Oxford-street, there was an engine station which is now part of the vestry offices.

5000. Mr. *Lusk.*] The parishes used to try to protect themselves, and now they trust to the Metropolitan

Metropolitan Board?—Yes; the parishes were bound to provide a certain number of engines which have now been done away with.

5001. Is Captain Shaw not desirous of having much assistance at fires?—I have been always most desirous to assist him.

5002. Does he receive you with that cordiality that you would expect?—I have only met him at a fire once; I cannot say much for his men; there is a certain amount of snubbing which, perhaps, arises from our having got to the fire first and put it out; it is quite a natural feeling, I think.

5003. You think that they do not like your being first to put out the fire?—No, they do not like that.

5004. Of course you think that Volunteer Fire Brigades are useful?—They are a very great advantage, working under the officers of the Metropolitan Fire Brigade, in the suburbs, especially.

5005. Are the suburbs as well protected from fire as the central parts of London?—No, not by any means.

5006. You think that the Volunteer Fire Brigade might be usefully employed in the suburbs especially?—Yes; I would not advocate their employment in the heart of London, where the fires are likely to be heavy and large.

5007. But you think that you, the Volunteer Fire Brigade, do not get the encouragement that you ought to get?—No.

5008. And that, you suppose, is what you might expect?—Perhaps it is natural.

5009. But not desirable?—No.

5010. Mr. *Gorst.*] You think that the suburbs are not efficiently protected?—No.

5011.—Do people in the suburbs pay as large rates as the people who live in the more densely populated parts of the City?—They pay according to the rental.

5012. They pay the same fire-rate?—Quite so.

5013. And they get nothing for their money?—Nothing.

5014. How far is the nearest Metropolitan Fire Brigade engine from Holloway?—It is a mile and a quarter.

5015. How would you be able to give an alarm in case of fire; is there any engine further out towards Hornsey?—No.

5016. How many miles would Hornsey be from the nearest engine station?—By road it would be 3½ miles to 4 miles.

5017. Do the people at Hornsey pay the fire rate?—No.

5018. They are not within the metropolitan area?—No.

5019. There is no way of giving an alarm or call to the metropolitan fire engines, I suppose except on foot or by cab?—No, on an alarm of fire arriving at our own station, I always dispatch a messenger to the nearest Metropolitan Fire Brigade Station.

5020. That is done on foot or by cab?—Yes.

5021. Have you telegraphing?—Unfortunately not; if we had a telegraph wire laid on to our station, we should be able to co-operate with the Metropolitan Fire Brigade, and give them an instant call.

5022. You propose that, in the first instance, there should be an inquiry made into the causes of fires by the officers of the Metropolitan Fire Brigade?—Yes.

5023. But there are many fires which take place to which no officer of the Metropolitan Fire Brigade ever gets at all, are there not?—There are very few fires to which they do not get at all.

5024. Did you ever hear of the fire at Tooting some months ago, where a house was burnt to the ground, and three people were burnt to death, and no fire engine arrived at all?—No; I should think that was incredible.

5025. Do the persons who have charge of the fire escapes keep a look out all night?—Yes; but the men are allowed watch boxes in which they go to sleep, but they are not allowed to close them.

5026. Therefore people might be burnt alive within a short distance, and the man with the fire escape might never arrive unless he was sent for?—Certainly; if a man had to wait until he had some intimation of a fire from the light, his services would not be needed when he got there.

5027. The men are always fetched?—The men are nearly always fetched.

5028. The man is sure to be found in his box, you think?—As a rule, after 12 o'clock at night, I always find the men in their boxes.

5029. Mr. *Sheridan.*] You say that you would recommend the appointment of a public prosecutor to proceed against persons suspected of incendiarism or in cases of doubt?—Yes.

5030. Have you turned your mind to that question of a public prosecutor?—Yes.

5031. What was in your mind with regard to the position of such an officer; you know that it is inconsistent with the present policy of the legislature to appoint a public prosecutor, do you not?—I am aware of that, but I think that there is a great change needed.

5032. Would you make him a public prosecutor for only one species of crime?—I think so.

5033. But surely if this Committee were to recommend a public prosecutor, whose duties were limited to cases of doubtful fires, that would be admitting the general principle, and a public prosecutor must then be appointed for all crimes; had that occurred to you?—That had not occurred to me.

5034. I understood you to say that a public prosecutor should be appointed, because the insurance offices would not prosecute?—Quite so.

5035. But why should insurance companies not be compelled, as all other citizens are, to prosecute, and be bound over to do so?—Because it is against their interest to prosecute.

5036. But you do not consider a man's interest when you bind him over to prosecute, do you?—I think it would be very difficult indeed to get sufficient *primâ facie* evidence to warrant an insurance office being bound over to prosecute.

5037. And then it is only secondary evidence that the secretary of the office can give?—Quite so.

5038. Did you state that the Volunteer Fire Brigade engines sometimes retired in the presence of the Metropolitan Fire Brigade?—Not that I am aware of.

5039. Does that apply to the practice since the passing of the Act of Parliament which instituted the Metropolitan Fire Brigade?—With regard to the Holloway Volunteer Fire Brigade, I can say that we have met with just the same treatment since the passing of the Act as we did before.

5040. But were there not Volunteer Fire Bri-

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gades before the passing of the Act?—Yes; besides the London Fire Brigade.

5041. That was a Volunteer Brigade, was it not?—No, it was a private brigade maintained by the insurance companies.

5042. But it was a Volunteer Fire Brigade in the sense of having nothing to do with the State?—It was so.

5043. Then they were all Volunteer Fire Brigades within 12 months backwards from this time?—Yes; the parish engine keepers were the only legal firemen at that time.

5044. *Chairman.*] What do you mean by a Volunteer Fire Brigade; the men of the London Brigade were paid, were they not?—Our men are not paid; we have only one paid man, and that is the engine keeper, who is present in the daytime to keep the place in order; our men find their own uniforms, and subscribe to the funds of the brigade.

5045. Mr. *Sheridan.*] Still the London Fire Brigade was a volunteer fire brigade, no matter whom they employed to carry out their purposes?—Quite so; but we never looked upon the actual firemen as volunteers.

5046. But do you not think that it was much to the discredit of the country that we had no national means of extinguishing fires before the passing of the late Act of Parliament?—Yes.

5047. Do you think that the new fire brigade has worked well?—Yes; I think it has worked as well as possible for a new fire brigade to work.

5048. Do you not think that it requires extending in its operations?—Undoubtedly.

5049. You think that it should be enlarged in its arrangements and its material?—Very much enlarged. I think that every house in the metropolis ought to be within a quarter of a mile of an engine station. That could be done by having stations at a distance of half a mile from each other.

5050. With regard to escape from fire, do you not think that the means provided by the Royal Society for the Protection of Life from Fire are necessarily now so small as to constitute a reflection on the intelligence of this country?—I think that fire escapes ought to be established at a shorter distance apart than they are now, but the fire escapes themselves are nearly as perfect as possible.

5051. Do you not think that they ought to be twenty times as many as they are at present?—Not so many as that, perhaps, but they ought to be increased at least 50 per cent.

5052. Are there not many districts where it would take at least 15 minutes to get a fire escape to a fire?—Yes, in the suburbs.

5053. Life is just as precious in the suburban districts as it is in the metropolis?—Yes, it is in the suburbs where this protection is most needed.

5054. Sloane-street is the last place in the direction of Brompton where there is that protection, is it not?—Yes; I think so.

5055. A fire at Parson's Green would be 25 minutes from a fire station, would it not?—Yes.

5056. Do you then think that the present provision for escape from fire, is one that is by any means sufficient?—Not by any means; there are places in my own neighbourhood where the fire-escape conductor would refuse to go, on account of the distance.

5057. Is not the subject of the preservation of life and property from fire, of sufficient importance in your opinion, to interest the Legislature?—Yes.

5058. Should not the protection of life be as much placed under the control of some central body, as the protection of property?—Yes; and I believe, by the late Act of Parliament, the Metropolitan Board of Works have power to take the fire escapes under their control.

5059 Why have they not done so?—I believe it has been from want of funds; I do not think that the halfpenny rate is sufficient to enable them to provide an efficient fire brigade, and to take charge of the fire escapes.

5060. That comes back to the old story, that life is not supposed to be so precious as goods?—Unfortunately it is so, but I believe there is some talk of the Board taking charge of the fire escapes, though I do not know when it is to be done.

5061. Mr. *Beach.*] You have stated that if the coroner investigated into the cause of every fire he might be paid by fees, but coroners are generally paid by salary, are they not?—I do not think that there would be sufficient employment to keep a coroner constantly employed in fire cases, therefore, I suggested that he should be paid by fees for his occasional services.

5062. *Chairman.*] Do you mean in addition to his salary?—Yes; I presume it would be either the coroner or the deputy coroner, who would be employed.

5063. Mr. *Sheridan.*] But in the country there is often no deputy coroner, is there not?—I think the coroner always has a deputy, even in provincial towns.

5064. Mr. *Beach.*] You think there would be no difficulty in the coroner being paid by fees for his services in inquiring into the causes of fires, although he is paid by salary for his other duties?—I can see no difficulty on the face of it.

5065. *Chairman.*] Have you anything which you would wish to add to your evidence?—I will hand in a paper showing the causes of the fires that have been attended by the Holloway Volunteers.

5066. I see by this paper that you have had two or three cases of wilful fire raising, and several cases of doubtful fires?—Yes.

5067. Were those men prosecuted for wilful fire raising?—I think not. In one case it was intended to prosecute, but I believe that the office compromised the case, and the prosecution was dropped.

5068. Mr. *Sheridan.*] There was not evidence enough, I suppose to prosecute?—Not quite.

5069. But you think if there had been a judicial investigation into the causes of every fire, that in those cases there would certainly have been a prosecution?—Certainly; in one of those cases the fire was stopped very promptly before much damage was done, so that the arrangement of the goods was seen. The surveyor went, and the man sent in a very moderate claim. The office at once settled. I acquainted the secretary on the next day with what I had seen, and he said he was very much obliged to me, but it was all settled. Since that time they have ascertained that the claim was undoubtedly fraudulent, and the man has absconded.

5070. I see in that paper that you have nine cases which are put down as doubtful?—Yes, in each of those cases I had some suspicion of there being something wrong in the cause of the fire.

5071. "Unknown

5071. "Unknown causes 33"?—Yes, that is rather a large proportion.

5072. Did you investigate at all into the causes of those fires?—Yes, as far as possible; but I could ascertain nothing satisfactory. I could not attribute them to any known cause.

5073. Had you any suspicion in those cases?—Not in the cases marked "unknown," they are thoroughly unknown.

5074. But they might have been doubtful for anything you know?—Yes, but fires arise from such very obscure causes that it requires very great care to discover the cause.

5075. *Chairman.*] But one great difficulty is that very often the visible proof the cause of the fire is destroyed?—Yes; spontaneous ignition causes a very great number; it is not possible to ascertain the cause of such a fire even when the fire has been stopped promptly; oil and sawdust combined will heat, and forms one of the most fruitful causes of spontaneous combustion. With regard to obscure causes, I remember one very curious case where the sun set a bedroom on fire; its rays falling through a glass water bottle on the table.

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Thursday, 20th June 1867.

MEMBERS PRESENT.

Mr. Beach.
Lord Richard Grosvenor.
Mr. Horsfall.
Mr. Kinnaird.
Mr. Laird.
Mr. Lusk.
Mr. M'Lagan.
Mr. Miller.
Mr. Read.
Mr. Henry B. Sheridan.
Mr. Turner.

PETER M'LAGAN, Esq., in the Chair

Captain Eyre Massey Shaw, recalled; and further Examined.

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5076. *Chairman.*] Is there anything which you wish to state to the Committee with respect to your former evidence, before we re-commence your examination?—On the last day of my examination I was obliged to summarise very quickly a large quantity of information which I had prepared to lay before the Committee, and as it may not have been stated exactly in the way in which I have had it prepared, I should wish to be allowed to hand in a list which contains a summary, and also the detail of all the Acts of Parliament referred to by me in my evidence (*delivering in the same*, vide *Appendix*). There is one other point to which I should like to call the attention of the Committee in connection with the Water Companies' Acts. I wish to call your attention to the fact, that so lately as the year 1852 a company was allowed, when obtaining a new Act of Parliament, to put in a clause which acknowledges that frost may be an unavoidable cause of want of water.

5077. Will you mention the name of the company which obtained that Act?—I rather think it would be found in many of the Companies' Acts about that time; but those on which I have been able to put my hand are the Chelsea Waterworks Act of 1852, and the East London Water Company's Act of 1853. Perhaps I had better read the clause:—"Provided always that the company shall not be liable to any penalty for not laying down any such main pipe or communication pipe if they be prevented from so doing by any unavoidable causes or accidents, or for not supplying water if the want of such supply arise from frost, unusual drought or other unavoidable causes or accidents." I do not consider, in the present state of mechanical and hydraulic science in this country, that that ought to be permitted in any new Act, and that frost should be acknowledged as an unavoidable cause of want of supply of water.

5078. We have it, in the evidence before the Select Committee in 1862, that a Fire Brigade was established by the insurance companies, and the matter taken out of the hands of the parishes, and the Committee wish now to have any information from you which you can give, as to what has been done since 1862?—I may state that the parishes all established engines about the year 1707, in compliance with the Act of Parliament to which I called your attention before. A few of the insurance companies had previously done so, particularly the Hand-in-Hand Insurance Company, which was the first company established in London. Those parish engines received rewards for their attendance at fires, and those rewards were also given to the fire office engines. It was not necessary to have an effective engine in order to claim the reward, and the consequence of this was, that the parish engines very soon fell into a condition of great neglect. The beadles in charge of the engines were generally very old men, and they sent the engines out in charge of boys; and, in some cases, women; and they took the rewards all the same. The insurance companies then began to feel that their interests were very greatly at stake, and they tried for many years to amalgamate their forces, but there were great difficulties in their way; the chief objection being that any offices which refused to join would still have their engines as an advertisement, and would make themselves very much known, whereas those companies who joined would lose the advantage of the advertisement afforded by their engines running about the streets. After a great deal of negotiation, the London fire engine establishment was formed in the year 1833, and it lasted for 33 years, during which time the engines attended 35,145 fires. Then immediately after the great fire in Tooley-street, in the year 1862, at which my predecessor lost his life, the insurance companies began to reconsider a subject which had been very frequently before them previously, namely, the responsibility of continuing any longer to protect the whole of London at the expense of the insurers of London. The result of that was a correspondence with the Home Secretary, the principal details of which I think will be found in the Report of the Committee of 1862. My particular reason for calling attention to this just now is, that in some of the evidence previously given before this Committee, witnesses have stated that the present Fire Brigade was established on centralisation principles. I wish to be allowed to offer evidence to the Committee, that so early as the year 1862 the present scheme of the Fire Brigade was drawn up by me for a transfer, at that time, supposed to be about to take place, to the metropolitan police. That scheme has been printed several times, both by order of the House of Commons, and by order of the Metropolitan Board of Works copied from the House of Commons papers.

5079. Do you refer to this scheme as the foundation of the present Fire Brigade?—Precisely.

Immediately

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Immediately after that Committee of 1862 sat, I presented a scheme for the entire protection of London within the district of the Metropolitan Board of Works at a cost of 70,000 *l.* I was simply asked by the Home Secretary to prepare a scheme. He said nothing about the money; but I prepared my scheme in that way, and at that cost. That scheme was laid before the Home Secretary, and, after some correspondence, Mr. Waddington, in December 1864, wrote a letter, of which this is one of the sentences: "If the estimate can be reduced to 50,000 *l.* per annum, including interest on the first outlay, Sir George Grey does not apprehend any serious difficulty in a satisfactory settlement of the question." My scheme was referred back to me for revision, and I made a second scheme, which brought the expenses to 52,000 *l.* a year. This second scheme had been made through omitting to observe that it was to include the outlay on the first cost. I then made a third scheme, bringing the whole, including the outlay on the first cost, to 50,000 *l.*, and that is the scheme under which the Metropolitan Board of Works are at present increasing the Fire Brigade.

5080. Mr. *Horsfall.*] Of what did that outlay consist?—Simply rents, salaries, wages, repairs of engines, renewal of stock, coals, calls to fires, turncocks, general assistance, refreshments, drawing of engines, telegraphic arrangements, superannuation, and interest.

5081. Is that in addition to the cost of the existing establishment?—No; that was intended as the total cost of the new establishment.

5082. What is the cost of the present establishment?—At this moment it is about 38,000 *l.* a year.

5083. *Chairman.*] The Committee have had it in evidence that the system of the present Fire Brigade is concentration, instead of distribution; is that the fact?—That is not the fact. The original scheme has been several years in print, and must be presumed to be known to every one who has studied the subject. This is the printed account of the principle of the scheme: "To meet every contingency, it is obviously most important that the distribution of a Fire Brigade should be widely extended, in order that the first engine, with a skilled fireman, should reach the scene of a fire in the shortest possible time, in comparison with which all other points are of minor importance." That was printed by order of the House of Commons about four years ago. The Metropolitan Board of Works have passed a resolution in favour of the scheme in general terms. Of course, they could not do so in detail, because I have placed some of my principal stations on spots where we, not having any Parliamentary powers, may not be able to obtain them; but they are only waiting now to see how nearly they can work up to it.

5084. In carrying out your scheme, as I understand you, the Metropolitan Board of Works have been distributing the fire stations over the metropolis?—Yes.

5085. Will you mention to the Committee one or two instances where they have recently established fire stations?—Yes, I will hand in to the Committee a map of the metropolitan Fire Brigade, as it was handed over to the Metropolitan Board of Works on the 1st day of January 1866 (*handing in the same*). I have dated that the 31st December 1865; and here is another map (*handing in another map*) of the condition of things on the 1st May 1867. If honourable Members will look at those maps they will hardly require to ask me any questions on the subject of distribution. Under the old establishment there was a small strip of ground by the water side, from about Westminster to a little below London Bridge fairly protected, but at the present moment there is an enormous area protected.

5086. You still have Watling-street as the chief Fire Brigade station, do you not?—Yes, up to the present time.

5087. Can you tell the Committee how far the most distant station from the Watling-street station was on the 1st January 1866?—The most distant station, I should say, was about three miles off.

5088. Now, on the 1st May 1867, will you state how far the most distant station now established is from the chief station in Watling-street?—Six miles.

5089. Between Hammersmith, which is six miles from the chief station, and the chief station itself, are there any more stations established?—Yes, a large number of stations.

5090. How many stations have been established by you between the 1st January 1866 and the 1st May 1867?—I have prepared a table showing that. On the 31st December 1865, the Metropolitan Board of Works received over from the Fire Brigade 38 engines, and they have now 84, making an increase of 46.

5091. Were all those hand engines?—No; they were not all hand engines. At that time they received 19 stations, but at the present moment they have 43, making an increase of 24; at that time they received over 129 men, and they have now added 103, making a total of 232 firemen. (*The table and the maps were handed in,* vide *Appendix.*)

5092. Every year you are adding more stations in the outskirts of the metropolis, are you not?—Yes; we are continually adding more stations, and at the present moment the map which I have handed in to the Committee is actually not complete, because, since the time at which I drew that map, there have been changes made.

5093. According to that map there appears to be a great deficiency of means for the protection of property from fire about Wandsworth, Clapham, and Brixton; is it the intention of the Metropolitan Board of Works to extend their operations to those districts also?—Certainly it is, and it is not only their intention, but they are actually executing it at this moment; I am under notice to go into the Brixton station within a month or two, and I am making my preparations with engines and men to take possession of it, and at Peckham and many other places besides the houses are nearly finished. At this moment the architect of the Fire Brigade has so much on hand that it would be almost impossible for him to undertake any more work, even if buildings offered.

5094. Mr. *Lusk.*] You mean that the architect is engaged in preparing Fire Brigade stations?—Yes; in many cases building places, and in other cases adapting houses for that purpose.

5095. If they are wanted, the architect could obtain more men, I suppose, to do the work?—It is a very great labour; the difficulty which has been found in obtaining sites has been almost insurmountable; all the places which are selected for sites are naturally very important

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places, in leading thoroughfares or close to them. They have endeavoured to work up to a theoretically correct scheme, but practically difficulties arise, and they have not been able to obtain proper sites without great delay and trouble.

5096. Lord *Richard Grosvenor.*] It is important that stations should be in leading thoroughfares, and not in mews and places where they cannot be readily found?—Yes; it is of the greatest importance that the stations should be well known and easily found.

5097. *Chairman.*] I presume another reason why you are not going on more rapidly, though there has been considerable rapidity shown in your course of procedure, is, that you have not funds to do more than a certain amount of work in one year?—Just so. In the 17 months during which the Metropolitan Board have had the control of the Fire Brigade, they have done one-half of all that it will be possible to do, having regard to the expense.

5098. And notwithstanding the great increase of buildings that is going on in the outskirts, you are overtaking a great deal of ground that was not occupied before?—Yes; a great deal of ground that was not covered by any other protection at all previously; I should rather say any protection that was available or useful.

5099. We have had it in evidence also that one of the great faults of the present management of the Fire Brigade was, that you had too many powerful steam-engines, and too few hand-engines; now, can you tell the Committee, in that large increase which has taken place in the number of engines, how many have been hand-engines, and how many have been steam-engines?—I think that will be found in the table which I have given in.

5100. Are you putting manual engines in those new stations that you are establishing?—Yes, manuals; we shall put manual engines in all the outside stations, speaking generally; in all the stations within about two miles of St. Paul's we shall probably have steam-engines.

5101. And of course, when a fire took place beyond those limits, the call would be given, first, to the district stations where the manual engines are?—The system of giving calls is very simple; in the centre of each district there is a foreman present; he resides in that centre, and there is a large number of stations under his control; he is connected by telegraph with every one of those stations, and he is also connected by telegraph with me at head-quarters. If a fire breaks out in a part of his district, the intelligence is sent out to the nearest station of the district; that is conveyed to the foreman, who acts on his own discretion, and at the same time telegraphs to me for further orders, and I send him assistance, or take such steps as are necessary. This Committee has had evidence of calls accumulating on their way. Now, in a properly organised establishment, such a thing is impossible; the man must repeat the call that he receives; it is the duty of the first man to examine it, to see whether it is a proper call; he passes it on, and it can undergo no change until it reaches me; such a thing has never occurred, and never will occur; the man would be severely punished for it if it did.

5102. Do you consider that your present telegraph system is as perfect as you can make it?—I have examined the systems adopted in all countries for that purpose, and I know nothing approaching the completeness of our system. We are more expensive in one point, namely, that we have an instrument at the end of each line. I have done that to avoid every possible complication, so that if one line breaks down it has no effect upon the general system at all. The lines on the map show the exact system that we have at work.

5103. What is the difference between that new system of yours and the system adopted in America?—In America it is in the power of unskilled persons, who have no knowledge of what is going on, to call out a great force of firemen and engines; whereas in London it is not in the power of unskilled persons to call out the engines.

5104. Do you mean that any ordinary passer-by can call out the engines in America?—Yes, any passer-by can do so; he may come to the policeman or householder who has got a key, and give the alarm, and bring out a large force of men and engines. Now, anyone who knows the subject must see how very liable in such a case the Fire Brigade is to be called out unnecessarily; and the facts are exactly in accordance with that theory. I have a table prepared, which I will hand in, showing the number of false alarms under that system, and the number of false alarms under our system here. And all that must be important with regard to the general economy of the working of the establishment. In New York the per-centage of false alarms on the total number of calls is 57. I obtained this information direct from the chief of the Fire Brigade. I have been for years in communication with all the chiefs of the Fire Brigades who take an interest in communicating such matters. As I have already stated, the per-centage of false alarms in New York is 57, leaving 43 per cent. for fires. In Montreal the proportion is 33 per cent. of false alarms; in Troy it is 52 per cent. of false alarms; in St. Francisco it is 37 per cent. of false alarms; and in St. Louis 34 per cent.; whereas in London it is only 13 per cent.

5105. Mr. *Lusk.*] What is your definition of a false alarm?—A man coming in and saying that there is a very large fire, and sending out the engines, and that turning out afterwards to be either totally false, or merely, perhaps, a chimney on fire.

5106. Mr. *Horsfall.*] Are any rewards given to those who bring intelligence of a fire?—Not for a false alarm; we do not pay them until we have ascertained that it is a right call.

5107. *Chairman.*] Do you attribute that large per-centage of false alarms in America, to their system of telegraphing?—Most decidedly; wherever that system has been adopted it has led to an immense number of false alarms. Now, in small towns that is really a matter of very little consequence, but in a large place like London it would lead to an enormous expense. At this moment the distance which we travel in London may be taken roughly at 16,000 miles a year; and, if we were to establish those telegraphs on a large scale, such as they have in America, the ratepayers would not stand it for a year; every mile we run costs 5*s.*

5108. Lord *Richard Grosvenor.*] And you do not think that any proportionate good would result from that outlay?—No, certainly not; it is far better to have a proper distribution of stations, and to receive no call except an authentic one.

5109. *Chairman.*]

5109. *Chairman.*] Has that system of telegraphing been established in any other country than in America?—Yes, it has been established in Berlin, and there it has led to the same consequences. In the daytime, when they do not keep a watch in the outside stations, they are forced to shut up the telegraph box.

5110. Do you not think some false alarms would be given out of mischief?—I think there can be very little doubt that in America they have been, but I think not in Berlin.

5111. Mr. *Turner.*] Would not the danger of false alarms be lessened very much if it was made necessary that these telegraph messages should be sent through the police of the district, and that the man should give his name and number before the office forwarded the message?—Yes. But the principle adopted in America is simply this, that there is no office to go to; the man who gives the alarm winds round the telegraph handle himself, and consequently he has no means of sending any details either about himself or about the fire. But in London, supposing a false alarm came ostensibly from the London Docks, it would certainly be an expense of 50*l.*; for if there were such an alarm I should turn out an enormous force of engines, and it might be only a chimney on fire, and my men would be 20 or 30 minutes on the road going and returning.

5112. Lord *Richard Grosvenor.*] And you would be at the same time losing their services in their own districts?—Just so.

5113. *Chairman.*] Do you know the system of calls adopted in France?—Yes, perfectly; they have no telegraphs for that purpose in France at all.

5114. How is the news of a fire sent?—Simply by their own men; in the first instance it is sent as we receive it, and as all other fire brigades must receive it; namely, from the people of the houses or passers by; after that, they send on for help from the station at which it is received, and they pass on the message by hand to the other stations, so that in Paris there must be an enormous delay before it can reach head-quarters.

5115. Have the French people ever complained of their inefficient system of telegraphing?—They have no system of telegraphing at all; they have never complained, and they have very little reason to complain, except, perhaps, of that one particular which I dare say will be remedied one day or other. The distribution of the stations in Paris is perfectly enormous, and the number of men and engines, and altogether the expense which they go to there are quite beyond what this country would tolerate at all.

5116. Lord *Richard Grosvenor.*] How many men are there in the Fire Brigade in Paris?—The number of men in the Paris Fire Brigade is 1,572.

5117. *Chairman.*] As against how many here?—As against 232 in London.

5118. Can you state what is the annual expense of the Fire Brigade in Paris?—The annual expense of the Paris Fire Brigade may be roughly taken now at 100,000*l.* a year; the actual returned expense by the municipalities up to this year is 80,000*l.*; but that does not include the cost of the stations, which may be taken at 20,000*l.* more, bringing up the whole of the expense to at least 100,000*l.*

5119. As against how much in this country?—At this moment 38,000*l.*; but the sum authorised by Parliament is 50,000*l.*

5120. Mr. *Lusk.*] What do you get from the offices?—There is a halfpenny rate over the whole of the metropolis which raises 30,000*l.* a year. The Government for public buildings give 10,000*l.* a year, and the offices 10,000*l.* a year; the Government contribution is exactly 10,000*l.*, and the others are a little over what I have stated.

5121. *Chairman.*] The actual expenditure of the Metropolitan Fire Brigade is only 38,000*l.*?—Yes; at the present moment they have got to 38,000*l.*; in fact, they have got done about one-half of the total work which they have got to do. With regard to the false alarms I may add that it has been mentioned here, and also published in books, that since the establishment of the telegraph here the number of false alarms have increased; that is a mistake. In the year 1861 the false alarms were 16 per cent.; in 1862 a shade less; during that year I got four lines of telegraph put up, and during the next year I had 16 lines completed, and the false alarms fell to a little over 13 per cent. The number of false alarms over a period of 34 years in London has been 17 per cent., but at this moment they are only 13 per cent., which I think on examination will be found to be considerably lower than in almost any other town in the world.

5122. Are you aware what system they pursue in Liverpool with regard to alarms?—In Liverpool in consequence of their system their false alarms are of course very favourable indeed; in fact the number of false alarms in Liverpool for the past year does not exceed 10 per cent.

5123. What is their system of calls?—Every fireman is a policeman, and consequently the policeman himself getting a false alarm and running to look after the fire does not pass on that call, and it does not count as a false alarm in any way; for he immediately discovers what it is, and sends on a stop to head-quarters.

5124. Mr. *Turner.*] All the firemen in Liverpool are policemen?—Yes, all firemen are policemen, but all the policemen are not firemen.

5125. In fact, the Fire Brigade is part of the police force?—Yes.

5126. *Chairman.*] Are there any fire bells in Liverpool?—No, there are not.

5127. Mr. *Horsfall.*] When were they abolished; they used to have them, did they not?—That must have been many years ago. A fire bell is very well for small towns, and for places in which the Fire Brigade is not a paid body; it serves to collect the firemen from distances in a way that I suppose no other system could do; but in any town that has got paid men in certain spots, a fire bell could have no effect except to collect a crowd, which would have to be dispersed by the police before the firemen could do any good.

5128. Have they got fire bells at the docks?—I think not. All the improvements in fire management during the last few years have tended to silence in every possible way; everything that creates a crowd does injury. In the Liverpool Docks, I have no doubt that, in addition to the police, they have got a large number of warehousemen and gangs-men who are quite ready to run up without waiting for the fire bell.

5129. *Chairman.*] We have had a system of fire towers recommended to us by one of the witnesses: the towers to be placed in a central part of the town; what is your opinion of that system?—My opinion is, that in every town in which they have

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have been established, they have most signally failed; for instance, in Vienna, St. Petersburgh, and Hamburg; the first calls received from those towers have been so few as to make them practically worthless.

5130. Do you know the reason why they have failed?—The reason is, that the towns are watched sufficiently for notice to be brought into the fire stations before a fire has got through the roof and become visible. The principle of the fire-tower must always be to call the firemen after the fire is visible from the outside, and that is evidently a wrong principle.

5131. It is a bad fire, is it not, when it has penetrated through the roof?—Yes; generally we are called before a fire is through the roof of the building; we always expect that.

5132. Lord *Richard Grosvenor.*] We have had it in evidence that a man running up with a call to a fire station gives it to the first fireman that he sees, and he may be a junior, but he does not act on his own responsibility, does he?—Certainly not; there is always a responsible man present at every station, and when a call comes, no matter who receives it, that responsible man has to act on his own responsibility, and to do his duty according to the intelligence which he receives.

5133. Mr. *Turner.*] With regard to the Liverpool firemen, the fireman on the beat is bound to pass on the notice of the fire to the next policeman, is he not, with all the particulars, so that it is thus passed on to the nearest station?—Yes; and telegraphed thence to the general station. I must say that the system of calls is very complete in Liverpool, and in several other towns in England. But to have a properly organised arrangement the call must always be examined into before it is passed. If we were to obey here in London absolutely every call as it is brought in, we should never be at home at all; people get into a sort of panic when there is even a chimney on fire; they come running in, saying that there is a large fire when there is nothing of the kind.

5134. Lord *Richard Grosvenor.*] With regard to the duty of sending on the call, though a junior may take the call in, it is not left to his vivid imagination to decide what he sends on by telegraph?—By no means; there is a responsible man to do that.

5135. Mr. *Lusk.*] Of course, it requires discrimination to attend properly to a call?—Yes, certainly.

5136. Lord *Richard Grosvenor.*] It is very common to have a window on fire described as a house burning down, is it not?—Yes; and very often we can find out from the man himself that the fire is a trifle, though the man may say that it is important.

5137. Mr. *Lusk.*] But it would not do, I suppose, to discourage calls altogether?—By no means; we must always rely on calls from the outside.

5138. It is like an alarm in an army; it may be a regiment, or it may be a brigade?—Just so. Occasionally we receive an exaggerated call from a man who looks very steady and collected, saying that there is a very large fire; it is impossible for the men to refuse that call; but in cases of men coming in, in a very excited state, we do not hesitate to refuse; we send on a man sometimes to see what it is, and he very often comes back and says that it is a false alarm.

5139. It is entirely a matter of discretion on the part of those receiving those calls?—Yes; involving a large expense to the public.

5140. Lord *Richard Grosvenor.*] Your tendency is to give the fire the benefit of the doubt?—Yes; there is no case that I know of, of the firemen refusing a call altogether. You have had some evidence before you to the effect that the Fire Brigade are using Professor Wheatstone's telegraph; that is not the case; they are not using Professor Wheatstone's instruments.

5141. Whose instruments are they working?—Siemen's and Halske's. There is not much in that point, however, except that that witness came here to give evidence about a matter of which he knows nothing whatever.

5142. Had that witness ever seen your system?—I do not believe that he ever knew anything about our system.

5143. *Chairman.*] Now, with regard to the water arrangement for extinguishing fires in the metropolis, there is now a commission sitting on that subject, is there not?—Yes.

5144. Do you consider that the water arrangements for extinguishing fires in the metropolis are in a very satisfactory state?—No; the fire extinguishing arrangements in that particular are not in a satisfactory state.

5145. In what respect are they not in a satisfactory state?—In the first place there is no regular system at all, and there are no two parts of London that are similarly provided in that way. The whole of London is supplied by a large number of different water companies. This map (*producing a map*) will show the Committee at a glance the condition of the water supply of London.

5146. London is at present supplied by eight water companies, is it not?—Yes, by eight water companies; there are five on the north side of the river, and three on the south.

5147. Have you ever met with any opposition from the water companies of London in the discharge of your duties?—Never. On the contrary, we always receive the greatest assistance from them.

5148. With regard to the turncocks, have you ever found any difficulty in dealing with them?—Not at all; they have always given me the greatest possible assistance. I have received letters from two of the water companies, of which I am requested to give the substance in connection with that subject.

5149. We have had it in evidence that the turncocks are often drunk; is that consistent with your knowledge of the conduct of those men?—No; on the contrary I think they are exceedingly respectable, well-conducted men; I never saw a drunken turncock, nor do I believe that any of my men have seen one.

5150. Have you always found them at their posts when they are wanted?—No, not always. I have known them to be late, but nevertheless they are respectable men with a very considerable knowledge of their difficult business, and they are always ready to give us assistance. I will undertake to say that nothing can be more unfounded than the charge against them.

5151. Will you be good enough to read the substance of those letters which you have received?—The engineer of the Southwark and Vauxhall Water Company writes to this effect: "I was very much surprised to hear that one of the witnesses has asserted that the turncocks are

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very often after 10 o'clock at night not sober,' and further, 'that we' (the persons in charge of the engines) 'turn the water on without their assistance.' These statements are entirely without foundation; the turncocks have serious responsibilities, and steady men are therefore selected for the office." Then the engineer of the Lambeth Water Company has written a similar letter, and I can certainly vouch for its accuracy.

5152. Mr. *Lusk.*] Mr. Whiffin, the secretary of the West Middlesex Waterworks Company, says, at Question 2901, "The Fire Brigade have not accepted the offer which I made to Captain Shaw, that the names of the turncocks should be put up in the stations;" is that so?—I think we know the names of all the turncocks all over London; I do not think that Mr. Whiffin's statement is strictly accurate; it may be that we have omitted to accept that offer formally, but we certainly know them all.

5153. *Chairman.*] Was there a formal offer made?—I have written to Mr. Whiffin, and he has written in reply to remind me that there was such an offer made, but that was in a letter on a totally different subject, and I omitted to take any notice of it; but I may state, as a matter of fact, that we know all the names and addresses of the turncocks.

5154. Mr. *Lusk.*] Would it not be desirable that each station should be supplied with the names of the turncocks?—Yes, decidedly, and they are so; there can be no doubt that for many years to come we shall be depending on the turncocks for our supply.

5155. Seeing the difficulty of getting into communication with the turncocks, would there be any possibility of communicating by telegraph with those men?—Certainly, but I doubt very much whether any one but their own body ought to do that; it is entirely a question of responsibility. If the companies are responsible for a ready supply of water, they should make their own arrangements. If the Fire Brigade were responsible for a ready supply of water, of course they would have to make some arrangement for that purpose, and that would involve a great deal of expense and complication.

5156. Do your men know the fire-plugs pretty well?—As a general rule they do; but it is exceedingly difficult to know the sluice-cocks. As a general rule, no difficulty is found in knowing the fire-plugs.

5157. Have the fire engines tools supplied to them?—Yes, every engine carries a complete set of tools, which are supplied by the water companies to us.

5158. Do the firemen understand how to work them?—They know how to work them in drawing the plugs; but it is really hydraulic engineering in a way which those turncocks have got to do.

5159. I am looking to the desirability of having some communication between your men and the water companies, in some shape or other. Do you think it would be expedient or possible to combine the duties of the Fire Brigade and those of the turncocks?—If the services were constant it might be; then there would be nothing required but to go and draw the plug, or to turn the sluice-cock of the hydrant; anybody could do that; but, with intermittent services, I believe it is utterly impossible for any one whose whole attention is not given to it, to understand the great complication of the services in large towns. I am quite sure of this, that there are parts of London in which a turncock could not by any possibility learn his business in less than a year; and I believe that in saying that I am going below what many of the companies' engineers would do. I believe that there are many companies in London who would not make a man a full turncock in a year; it would take him several years in London to learn his business thoroughly, because the water has been laid down with special reference to the payments made by the population for it; and, of course, so long as private companies are supplying water, no complaint can be made of that.

5160. *Chairman.*] But would it not be a great advantage to have a constant supply instead of an intermittent supply?—It would be a most enormous advantage.

5161. What is the objection to that; why do the companies not give it?—That is a subject which is before the Commission, and also before the Select Committee on the East London Water Bill. The advantages of a constant supply are quite beyond doubt with regard to fires.

5162. We have had it in evidence that, on account of the badness of the internal fittings for supplying water in houses, there would be some objection to a constant supply, or at all events to the increased pressure?—I believe that in everything connected with buildings there has been a great deal of what is technically known as scamping the work. That has not been carried out to such an extent in anything as in what is called the plumbing of the house; the fittings are abominably bad.

5163. Has that branch of the subject been investigated in the Select Committee?—Very much; it has occupied their attention for days. The services at the present moment are too large, and the plugs are too far distant from each other, and so long as that remains so, I see no means of making any very important alteration. I conceive that, where there are intermittent supplies, no one service should cover more than an acre or two of ground, so that anything happening to that one service would put only a very small portion of the town in danger. And also in case of the cisterns and pipes being empty, anything happening in that part of the town would receive protection much quicker than it could do if there was a very large service.

5164. I suppose you would recommend the water to be laid on in every town in the country?—Yes; I think the water companies should be bound to provide a proper service.

5165. Perhaps it would be better in all cases for the water supply to belong to the town altogether?—Theoretically there can be no doubt about that, I apprehend. The plan which I now hand in (*delivering in the same*) shows the present state of the water supply in London, and here is the proposal which we make for altering that, and here are the means for drawing off the water. But before it would be possible for the Metropolitan Board to adopt that or any other scheme, they must look into the whole subject, which is one of enormous magnitude, involving, perhaps, an expense of 10,000,000 *l.* or 12,000,000 *l.*

5166. Lord *Richard Grosvenor.*] But, looking at the existing arrangements, you very much prefer to have the turncocks to turn the water on instead of your own men?—It is perfectly essential.

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5167. And you have no reason whatever to complain of the turncocks?—Not at all, nor of any of the officials. I believe they spare no expense or trouble to do all that it is possible for them to do, but then the services are not laid with reference to fires at all, but only for supplying the houses.

5168. They supply water for fires gratuitously?—Yes; and moreover they allow persons to supply water from their houses for the purposes of fires, and they do not charge for the extra quantity.

5169. Mr. *Turner.*] Their Acts of Parliament require that they should supply water for fires?—Yes; they put it into the Act themselves.

5170. Lord *Richard Grosvenor.*] There have been no efficient means of putting a fire out hitherto discovered, except by means of water, have there?—I do not think there have been discovered any means of extinguishing fires satisfactorily, except by water.

5171. *Chairman.*] Have you ever seen the extincteur used?—Yes; I have seen the extincteur used.

5172. With what effect?—I never saw it used at a fire, it was only for experiment.

5173. Have I correctly understood that you highly approve of the extincteur?—The fact is, that as a public officer I have never given an opinion on anything of the sort, and I should be exceedingly unwilling to do so, though I like to encourage everything of the kind; but my opinion might be quoted afterwards, and perhaps cut down somebody else who had invented something better. The principle of Phillips's fire annihilator was to project the gas on to the fire; this gas was carbonic acid gas, which is not a supporter of combustion, and consequently the fire went out; the principle of the extincteur is precisely the same in one way, but different in another: the extincteur projects from it the water, or rather a liquid which is harmless, until it touches the fire, and then it disengages from it this carbonic acid, and that destroys the fire. The extincteur localises the effect, and in fact it can be used on ceilings and other places much higher and more distant than the fire annihilator will touch.

5174. I understood that in the extincteur the carbonic acid was generated in the vessel itself, by mixing powders like seidlitz powders?—Yes, the acid is, but not the gas, which extinguishes the fire; the two powders are mixed together in the vessel; the liquid is in a state of effervescence under pressure, the same as soda water, and when the tap is opened, according to the pressure, that water will be projected to a certain distance; you may drink it, or you may put it on your hands or clothes, and it makes no mark whatever.

5175. It is in fact soda water, or rather seidlitz powder?—Yes.

5176. The carbonic acid is still there in a state of vapour?—No; the carbonic acid gas is liberated only by the liquid touching the fire; it is a very simple ingenious little thing.

5177. As a practical man, with considerable experience in fires, do you think it would be an advantage to have those small engines, the extincteur and Phillips's fire annihilator, in manufactories, just to put out a fire when it began?—I would rather see them there than nothing, but it would be much safer to trust the ordinary factory people with something with which they were more familiar.

5178. Would you prefer having some hand-pumps there?—I would very much prefer that, because the buckets could be replenished. The great danger of the extincteur is, that reliance may be placed on it at first, instead of sending away for help, and it is exhausted in a moment, when it may be too late. The hand-pumps may be used for a time, and replenished, if there is a water supply, whereas the other cannot be replenished.

5179. You would recommend those small hand-pumps to be used in large manufactories, and even in country dwelling-houses?—Certainly, it would be a great advantage.

5180. Lord *Richard Grosvenor.*] Are those hand-pumps very much used in London in the Fire Brigades?—Every engine carries one, and has done so for years.

5181. *Chairman.*] I suppose you can give the Committee some information with regard to the expense of the Fire Brigade in different countries and in different towns of this country?—Yes.

5182. Will you be good enough, first of all, to mention the expense of the Fire Brigades in the towns of this country?—I can give you Dublin and Liverpool at this moment. In Liverpool they spend about 12 *l.* on each fire, and in Dublin they spend about 20 *l.* on each fire, and in London it amounts up to about 18 *l.* on each fire, but latterly this year we have been spending more than 18 *l.*, and, consequently, with a very much better result.

5183. Mr. *Turner.*] With regard to the 12 *l.* spent on each fire in Liverpool, that does not include the expense of the fire police, does it?—In speaking of this I am forced to take the published accounts; it would be very difficult to say how far the police force has been increased in consequence of their having this fire duty to perform; I presume that they put down simply the extra wages of the police, and not their absolute wages. But I think I have got them all, and even the foreign countries, correct within one or two per cent. In Baltimore they spend 90 *l.* on each fire; in Boston they spend upwards of 157 *l.*; in Brooklyn upwards of 35 *l.*; in Buffalo upwards of 85 *l.*; in Montreal upwards of 32 *l.*; in New Orleans upwards of 172 *l.*; in Philadelphia upwards of 48 *l.*; in San Francisco 118 *l.*; in St. Louis upwards of 125 *l.*; in Sidney 52 *l.*; and in Troy, America, upwards of 63 *l.* on each fire, whereas in London for many years 18 *l.* has been the average.

5184. *Chairman.*] Is that increased expenditure attended by an increased advantage to the public in those different towns?—I think not by any means; and one of the remarkable facts in connection with those large figures is that in some of those towns the Fire Brigade is worked by volunteers.

5185. Mr. *Turner.*] Do you consider the expense of the Fire Brigade in those different towns any measure of the utility of the result gained?—By no means.

5186. Is it not the fact that the fire insurance premiums in San Francisco are considerably higher than they are in London?—Yes.

5187. Mr. *Horsfall.*] In giving the charges, which you state are 12 *l.* in Liverpool, and 172 *l.* in New Orleans, you do not imagine that those respective amounts include the same charges, do you?—Yes, I believe they do.

5188. Do you believe that what is done in Liverpool for 12 *l.* costs in New Orleans 172 *l.*?—That

—That is my belief; or rather, to put it in a different way, what is done in Liverpool is not done at all in New Orleans; but about one-tenth of it is done at this enormous cost. I have seen a good deal of the working of the American Fire Brigades. I have travelled there several times, and, though I was not in the business then, I have had many opportunities of seeing the working of it, and I have had a great deal of correspondence, both with those who pay for the fires and those who put them out; and there is nothing in America, except in three or four towns, which can be at all taken as a model for working on in London, and even those few towns have gone to an enormous expense about matters which we do not touch at all. In fact, I have studied the systems adopted in American towns chiefly for the purpose of avoiding their errors.

5189. In New York, it was entirely a volunteer brigade, was it not?—When I was there, two or three times, it was altogether a volunteer brigade. Their behaviour was, to say the least of it, disorderly; there was no management, and there were constant quarrels; in fact, nothing was properly done, and the system about two or three years ago became quite intolerable, and though it was an enormous political organisation the public feeling was strongly against them, and they were forced to abandon it, and it is now a paid system following slowly in our footsteps here. The reason why they have not advanced as fast as they had intended, is that they have been obliged to enrol in the paid brigade so many members of the old brigade.

5190. In the other towns in America were the brigades volunteers too?—Not in all. Boston has never had a volunteer brigade within my recollection, though I am told that they had one for many years.

5191. Mr. *Lusk.*] I suppose those figures of 172 *l.* and 100 *l.*, and so on, apply only to large fires?—No; my mode of calculation has been to take the total cost, and to divide it by the number of fires.

5192. Those brigades do not touch small fires, do they?—Yes; they make a great deal of them, and turn out the engines at great expense.

5193. Lord *Richard Grosvenor.*] The fewer the number of fires the greater the expenditure for each?—Yes, allowing that the total cost is the same.

5194. Mr. *Lusk.*] You do not mean to say that a small fire like the burning of a room would cost 170 *l.*?—No, that is the average; our cost in London on the average, as I have stated, is 18 *l.*

5195. What would be the expense of the firemen and apparatus per annum in any town where there is now no Fire Brigade?—You can get a good man to take charge of a Fire Brigade at the commencement for about 3 *l.* or 4 *l.* a week, and that one man could train a large number of others, and then all would depend on the wants of the town. For example, Manchester would require a totally different mode of protection from Edinburgh.

5196. Would you recommend that country towns should engage one of those men to teach the brigade?—I think it is the cheapest and the most sensible thing.

5197. Would you recommend that policemen, or a distinct class of men, should be employed to work the Fire Brigade?—I do not think that that question could be answered absolutely. I think it all depends on the particular town.

5198. But, generally speaking, would you recommend policemen, or a distinct class of men, to be employed in the Fire Brigade for the country towns?—In a great many cases I should recommend the employment of the police, and in other cases, in the inland towns where there are very few police, I should recommend a small number of builders, and such men who happen to be about buildings, to be employed; but, as I have already stated, it all depends on the requirements of the individual town.

5199. *Chairman.*] Again the question is whether you would have a regularly paid Fire Brigade or a volunteer Fire Brigade?—There ought to be one man responsible in all cases, whether paid or not.

5200. Lord *Richard Grosvenor.*] I suppose it depends very much on the nature of the risks in the town, the number of police that they have, and also the water supply, what kind of Fire Brigade you would recommend?—Yes.

5201. *Chairman.*] Do you approve of the volunteer Fire Brigades?—Yes, I think they may do immense good; but I think that they should be managed with very great discretion, so as not to offend the public.

5202. There have been some volunteer Fire Brigades in the metropolis for years, have there not?—Yes.

5203. Have they ever come in collision with your force?—Very seldom; there was never any actual case of disturbance, except in the case of one of the witnesses, who has been examined here, who brought a false charge against one of the men. The man was perfectly ignorant of that charge until he got a summons. The case was brought before the magistrate; the magistrate decided that it was a false charge, and there the matter ended.

5204. I suppose you are always ready to receive the assistance of those volunteer Fire Brigades which are already established?—Yes, certainly; but there are very few indeed.

5205. There is one in Holloway, is there not?—Yes, I believe so; next door to the public house at the corner of Seven Sisters-road.

5206. And your force have sometimes been working side by side with them, and amicably enough, I suppose?—Yes; I believe fairly enough. There are no other volunteer brigades, I think.

5207. There used to be Hodges's Fire Brigade on the other side of the water?—Yes; but that has disappeared. That was an establishment which might have been the means of doing some good some years ago, and was really getting on very well until this same man, whom I have already alluded to, brought it to grief.

5208. Is there a kind of rivalry between your men and the volunteers?—Not the smallest.

5209. Do you not think that it would be an advantage to have a number of volunteers who would take up the question, and stimulate your men to come forward in time?—I do not think that anything could stimulate my men more than a regularly organised system now does. But my opinion is, that there is no objection to a volunteer Fire Brigade anywhere, provided they take care not to identify themselves in any way with those men who are really responsible. That has been the great difficulty here. So long as the Metropolitan Fire Brigade was under the care of the insurance companies, there was no law to authorise any one person to be responsible for what went on,

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and the consequence was that the insurance brigade had only the same kind of uniform, which others were equally entitled to wear; but since the Metropolitan Board of Works have taken the subject up, they have altered just a sufficient portion of the uniform to make a badge to distinguish their men from all others, and that is simply the helmet. The old helmet was very nearly as good, and we should have kept to it, only that we were determined to make some alteration which would, at all events, identify our men at all the large fires. That was done by the Metropolitan Board at the end of last year, and at the present moment we are perfectly independent of all other people who come to fires; they come when they like; they amuse themselves, and go away when they like; but these persons whom you have mentioned have had the great indiscretion to copy our uniform in this very particular. I cannot doubt that they will one day get into trouble about that; but I have no complaint to make; and I have nothing to say about that, except that they have attempted to copy what the Board of Works had at a considerable cost and trouble accomplished for the purpose I have mentioned.

5210. Do you mean the establishment of the Holloway Volunteer Fire Brigade?—They use our helmet. The Board hold me responsible for having everything properly conducted at a fire. If I see a man at a fire, whether belonging to the Volunteer or the Salvage Corps, I can order a policeman to turn him away if he behaves badly, or my own men can do so; but if he dresses in my helmet, my men might find some difficulty in identifying him in the smoke.

5211. And this Volunteer Fire Brigade at Holloway have, in fact, adopted your helmet?—Yes.

5212. Did they wear your helmet before the change?—Yes, always the old leather helmet.

5213. Lord *Richard Grosvenor.*] Do you know Mr. Becker's engine in Camden Town?—He has not one there now.

5214. In answer to a question which was put to him, he says he receives no remuneration for his services, he pays his own expenses, and he gets blamed for putting fires out?—I should think there is not a shadow of truth in that statement. Some time ago I was served with that notice (*producing a notice*), stating that the engine belonged to the Western Fire Insurance Company. A few days since, in consequence of Mr. Becker's evidence, I applied to the company to know whether that engine belonged to them or not, and they have written to me a very strong letter on the subject. The manager of the office writes to this effect: "Mr. Becker is no longer in the service of this company. At the time he gave his evidence he was chief clerk of our fire department. He had no authority from this company for his statements, and he is solely responsible for them."

5215. Mr. *Lusk.*] Is there entire sympathy between the salvage corps and your men?—Yes; the salvage corps do a great deal of good, and they save us a great deal of trouble.

5216. Do they often get to the fires before your people do?—I do not suppose that they have ever done so, but no doubt such a thing would be possible sometimes; they have only four stations, and we have 43.

5217. They do not come into collision with your corps at any time?—Not the least.

5218. Are they useful?—They are useful to their own employers, and indirectly to us. In a very crowded place they remove the stock, and so assist us in putting out a fire.

5219. Lord *Richard Grovsenor.*] In fact, with a Fire Brigade constituted as the London Fire Brigade is, the salvage corps is necessary, more or less, because your duty ceases when the fire is put out, and you do no watching?—No, only when the persons ask for it at their own expense. The Metropolitan Board of Works incur no responsibility for watching the premises, but they allow their chief officer to leave any man who can be spared to watch the premises at the expense of the owner.

5220. So that the Salvage Corps is more or less necessary?—It is very useful.

5221. Mr. *Lusk.*] I have heard it alleged that the Salvage Corps in London was often at a fire before the regular men were there, and that they put the fire out?—I have never heard that; I think it is almost impossible though not absolutely impossible.

5222. Mr. *Beach.*] With regard to one of the towns in America that you have mentioned, namely, Montreal, are you acquainted with that town?—Yes, I have been there.

5223. I believe that that town has suffered more from fires than almost any other town in America?—It has suffered very largely, but so have all American towns. I do not think it has suffered more than others; not more than Quebec, Toronto, Hamilton, and many other towns.

5224. Are you aware whether the management of the Fire Brigade has been improved there?—Yes; I think they are making great efforts to improve it, but they have been under difficulties, and the town is not able to spend much money at present.

5225. Is there any Volunteer Brigade there?—No; it is supported by the municipality, but the men are not under constant pay.

5226. Is there a Volunteer Brigade in most of the American towns?—In a great many there is, but latterly for about 10 years past, the tendency has been to do away with the Volunteer Brigades, as being too expensive, and to adopt the system of paid men.

5227. You say that the expense is very heavy at Paris; is there any Volunteer Brigade there?—None whatever; it is simply a very large regiment of soldiers with a colonel, a lieutenant-colonel, and a large staff of officers and soldiers for firemen. The principles adopted there are totally different from those which govern London. London does nothing in the way of preventing fires, but in Paris they do all they can to prevent fires.

5228. And the expense includes the machinery for that purpose, I suppose?—Yes, the expense is the balance after deducting the amount received as re-imbursements from the gross cost.

5229. *Chairman.*] Is it not the fact that the fires in Paris are far more easily extinguished than the fires in this country?—Yes; they are more easily extinguished, partly because Paris is not a mercantile town, in the sense that London, Liverpool, and Manchester are, and partly because the construction of the buildings may be almost called perfect.

5230. Mr. *Beach.*] Of course, in Canada and a great part of America, the buildings are of a very ephemeral nature, a great many of them being wood?—At the present moment there is hardly a better

better built town in the world than New York, which 25 years ago was at least half of it built of wood.

5231. But in what is called the German quarter of New York, down by the river, a great many of the buildings are of wood?—Yes.

5232. But they are being rapidly altered, are they not?—Yes; it is contrary to the law to build wooden houses.

5233. Mr. *Turner.*] When you say that it is contrary to the law to build wooden houses, does not that merely apply to the fronts and backs; the walls, in fact; the interior partitions of most of the houses in New York are made of wood, are they not?—No, my observation does not lead me to that conclusion. I think that the New York buildings are a very good model to go on.

5234. Do you remember the great fire that took place in New York some time ago, in Wall-street?—I think that the accounts of the great fires at that time are not very authentic; there were too many heroes at every fire; men who did everything themselves, and the consequence is that we have a very incomplete history of what did take place.

5235. *Chairman.*] Would it be an advantage to introduce the Paris system of building houses into this country?—From my point of view, it would be a very great advantage, but I do not think it is possible.

5236. Why is it not possible to introduce that system in this country?—I think it is not possible on account of the material employed, and it would affect the building trades here to a degree in which no legislation has ever affected any trade before.

5237. But in what respect?—It would make the houses so enormously expensive; the soundness of the Paris buildings is a model for the world; there is nothing equal to it elsewhere, so far as I know: there is no scamping of any kind.

5238. But it is a great disadvantage to the public to have buildings erected as they are now in London, is it not?—They are done under the Act of Parliament, with some degree of supervision.

5239. You say that there is a great deal of scamping in the building of the houses in London; would it not be an advantage to do away with that?—That is perfectly impossible; the supervision over the buildings now is as complete as the inhabitants wish to have it.

5240. The Committee have had it in evidence that a great deal of the mortar is of such a character that it ought never to be put in?—I do not think that in any town it would be at all possible to adopt a system of construction which would involve the town in a very heavy expense. We have not the means of constructing buildings as they do in Paris, because in Paris the plaster which they use so largely is easily obtainable on the spot.

5241. But the Committee have been informed by a London architect that he could make the buildings here far more fire-proof if proper mortar were used?—There is no question about that, and the mixing up of the mortar is one of the points which comes up in the new Bill before the Metropolitan Board.

5242. Would you not consider it almost a nefarious practice on the part of builders to use this inferior mortar, when perhaps by the contract they are bound to use a better kind of mortar?—If they are bound by the contract to use a better kind of mortar, it is obvious that it is a nefarious practice; but so long as they are not bound by the law to do so, and there is no contract, it is not nefarious.

5243. But would it not, in your opinion, be advisable for the law to interfere, and insist upon proper mortar being used?—Yes; and I think that will in all probability be proposed by the Metropolitan Board of Works.

5244. That would have the effect of preventing the rapid spread of fires, which at present takes place on account of inferior mortar being used, would it not?—I am not very much of opinion that fires can spread through any walls, however ill-constructed; the consequence of bad mortar has rather been to cause the walls to fall, and kill people; vertical walls stand a long time, no matter how ill made, if they are constructed of incombustible materials. I have brought a plan with me (*producing the same*) of flooring and joisting, which I conceive might possibly be adopted more generally in London. This plan was devised by Mr. Marrable, who was formerly architect of the Metropolitan Board of Works; I put that plan in as being, in my opinion, a safer and a sounder mode of construction than any of the common fire-proofing that one sees.

5245. It is very similar to the French system, is it not?—It is, in fact, the French system adapted to London, but there is great ingenuity in the way in which Mr. Marrable has carried it out.

5246. Mr. *Read.*] When you speak of bad mortar being used in building in London, do you refer to the manufacture of the mortar or to the materials of which it is composed?—The manufacture of mortar is so very simple that I made no reference except to the material.

5247. Do you mean the quality of the sand or the quality of the lime?—I think they do not use sand in many parts.

5248. But what they call sand?—Yes; road mud.

5249. *Chairman.*] We have had it in evidence that it would be much better to have the Fire Brigades composed of artisans instead of sailors. Will you mention to the Committee of what class of men your Fire Brigade is composed?—The principal number of our men are sailors, either of the Royal or the Mercantile Navy. Wherever a Fire Brigade is only temporarily paid, or wherever they are merely paid for their services when they turn out, I conceive it is quite possible to adapt other men besides sailors for that purpose; but for a town which professes to keep a Fire Brigade specially for that purpose, no men can be found so available as sailors, if they can only be obtained young enough. That has been the great difficulty which we have had to contend with; namely, to get them young enough, so that when they are 26 or 27 years of age they would have had a large experience.

5250. Are you aware of any towns in which artisans are employed in the Fire Brigade instead of sailors?—Yes, in many towns in England and Ireland.

5251. Is that on account of the difficulty of obtaining sailors?—Yes; sailors cannot afford to stop ashore for that work. In London they had formerly watermen, and they were fairly available. Many of our old servants are still watermen; but with a permanently paid force it is infinitely cheaper to get sailors. I mean really smart young sailors with four or five years' experience

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experience at sea. The sailor has learnt discipline, and is so strong and handy at climbing and other quick work, that he can be made available for the general work within two or three months, and I defy any one to do that with any other class of men.

5252. Mr. *Turner.*] Would it be possible to pay the sailors sufficient wages to induce them to take up that business without following any other profession?—In London they do so.

5253. What do you pay them?—They commence at 3 *s.* a-day, and they go up to 3 *s.* 6 *d.*, 4 *s.*, 4 *s.* 6 *d.*, 5 *s.*, 6 *s.*, and 10 *s.*

5254. How many men do you employ?—232 at this moment.

5255. For the whole of London?—Yes.

5256. *Chairman.*] But is it not an advantage to have some artisans in a Fire Brigade, because they are thoroughly acquainted with the construction of buildings, and they may save a considerable destruction of property?—I do not think that artisans can ever have such knowledge of buildings as our men from a short experience acquire. An artisan is a man who goes up a ladder slowly and does his work, whereas, our men have got to fly about from the roof to the basement, and in and out of the windows; an artisan must undergo a very long training to make him in that one point equal to a sailor who has already had a training. With regard to some of the towns in which they employ other men than sailors, I wish to give some evidence. One of the witnesses has stated that in Liverpool, for instance, they abominate sailors, and will not employ them. I was astonished at that statement because I know to the contrary, and that they are rather fond of sailors. I wrote to the superintendents at those places mentioned by the witness, to know what the meaning of it was, and Major Greig, who is chief of the police, and of the Fire Brigade at Liverpool, has written me a letter in reply on that point, part of which is as follows:—"Mr. Becker's statements are incorrect and untrue in every particular. I saw Mr. Becker in this office about two or three years ago. Neither he nor any one else has inspected the Fire Brigade of this town, and of which I am director. Mr. Hewitt is superintendent of the Fire Brigade, and both he and I have a great leaning to sailors; they are the very sort of men for going aloft, &c., &c. The inspector (next to Hewitt) was a sailor, and I always pick up such when I can." From Manchester and Leeds I have also letters contradicting statements made by Mr. Becker. Mr. Becker said that he came before the Metropolitan Board of Works with his hydrant signs, and that it had been previously decided they were not going to use his signs. Now, to any one who understands what the Metropolitan Board or any other Board is, such a statement as that is without meaning or sense. He came before the Metropolitan Board and presented them with a scheme, which he said he had invented for marking fire plugs; but the thing was so utterly foolish in itself, and so absurd, that the Board, after giving careful consideration to the subject, and after asking him before he left whether he had anything more to say; in fact, after hearing everything, decided to take no notice of it. Some of Mr. Becker's other statements with regard to the Metropolitan Fire Brigade are totally untrue, and without foundation. He says, in answer to one question, that he had been connected with the Metropolitan Fire Brigade for 16 years. I presume that is quite definite, as referring to the Metropolitan Fire Brigade. Now, he never has been either directly or indirectly connected with it in any way; not even as a volunteer has he ever had any connection with our men. He never had any connection either with the old establishment or with the present one. I put that in the most unqualified way.

5257. *Chairman.*] Is there any other evidence that you wish to rebut as connected with the Fire Brigade of London?—Yes, a large quantity of it. In the first place, Mr. Young stated that he attended fires in his professional capacity; if that means that he attended in any way as a fireman or a volunteer, there can be no doubt that it is without foundation, because he never was at a fire, so far as my knowledge goes.

5258. Was he not connected with Mr. Hodge's Fire Brigade?—I think not; he stated that he had dined with him. It is of great importance to our men, who are exceedingly steady, and who are responsible to me as I am to the Board of Works, and the Board to the public, that we should put it plainly before the Committee that we have no connection with these people in any way whatever. He comments on a great many things connected with the establishment. I positively state my belief that the man never was inside a Fire Brigade station in his life. I do not state that without reserve, because he may possibly have been inside, but as a matter of fact, he knows nothing of our proceedings. His statements with regard to our telegraph system and steam engines too, tend to mislead the Committee; he knows nothing of it. I feel certain that if I were to go and give him such information as would enable him to come forward and make such statements here, the Board of Works would dismiss me for it, and very properly too. There is no foundation for the general tenor of his evidence with regard to our establishment, and he does not profess to know any other; he knows nothing at all about our affairs; for of course the Committee will understand, that merely seeing a fire from the outside of a mob does not qualify a man to come forward and make statements concerning our engines and our organisation. There is a great deal too in his evidence about remarks made on the London firemen by the Paris *Sapeurs Pompiers.* Now those gentlemen in Paris are most intimate friends of mine; and Major de Dionne assured me, in the presence of a large number of his brother officers, that though Mr. Young had been in Paris, and they had shown him what they could in less than an hour, some of his statements were utterly incorrect. The Paris *Sapeurs Pompiers* are, if not the best, very nearly the best, firemen in Europe, and they have seen and approved of the system which is now adopted in London. Again, this witness has made complaints on the mode of training, discipline, and instruction adopted in our brigade; but it is utterly impossible that he can know anything about it.

5259. Mr. *Lusk.*] I want to ask you one or two questions about the efficiency of your corps; you have mentioned that your establishment is increasing every year?—Yes, it has been continually increasing since the Metropolitan Board of Works have taken it over.

5260. It is much more strong, both in material and in men, I suppose, since it has been handed

over

over to the Metropolitan Board of Works?—Yes, decidedly.

5261. Then how is it that fires are still increasing; it has been given in evidence that we have more fires now than we ever had?—That is a mistake. The fires no doubt for several years did increase, but during the year 1866 there was a very considerable decrease of fires.

5262. Notwithstanding the efficiency of your corps, still the insurance companies inform us that their losses are more ruinous than they were?—I do not think that any insurance company in London could possibly make such a statement.

5263. They tell us that during the last two or three years their losses were perfectly ruinous?—That must be in the country and not in London. I am quite sure that no insurance company doing business in London would say so. Our proportion of serious and slight fires in the year 1865 was 34 serious and 66 slight to each 100; whereas, in the year 1866, it was 25 serious, and 75 slight to each 100.

5264. The first serious fire that you had, I believe, after your corps was established on the new basis, was in January 1866 in the St. Katherine's Dock?—Yes.

5265. After that fire was thought to be extinguished it broke out again, did it not?—No, it was never thought to be extinguished, and the firemen had never left it. There was no second fire; it was all one fire; but a second part of the building lighted after the Fire Brigade had been several hours in operation.

5266. But when the fire was supposed to be subdued and a number of men had been withdrawn, the fire broke out again, did it not?—No men were withdrawn.

5267. Well, the fire broke out again, did it not?—The fire got into a portion of the building in which we supposed there would not be any fire.

5268. It was understood that, through the negligence or through want of discernment on the part of your corps, that fire had not been noticed properly in the first instance, and the loss in the second fire was more than the first fire, was not that so?—First of all, I doubt very much whether there were two fires at all; it never has been traced how that second building lighted; there were holes through the walls, no doubt, and the probability is that it lighted through those holes, but the force was not withdrawn by any means; the number of our men was the same at all times during that fire for several days; if 10 men came on at any particular time, 10 others went home to rest, but there was no diminution of either the number of men or engines.

5269. Was it not through the inattention of your men that the fire broke out a second time?—I think not by any means; I do not know whether the honourable Member is aware that there was a very close investigation of what is called the second fire on that occasion, and that no trace of its origin could be discovered, except the possibility of its having got through the wall where the beam passed through.

5270. Do you remember the fire at Suffolk-street, in the Borough, on the 4th of July 1865, when two warehouses were burnt out, and when your men were said not to be there as soon as they were expected?—They were necessarily on the spot, for the station is there.

5271. How was it, then, that there was so much destruction of property in the second instance?—There was no second instance of fire there; the place was alight from top to bottom before it was discovered; the building was an exceedingly bad one; the men put out the fire in five hours.

5272. Lord *Richard Grosvenor.*] It was full of inflammable material, was it not?—Yes, it was full of canes, and other inflammable material; but the cause of the loss in that case was, that the fire was not discovered until the house was destroyed.

5273. Mr. *Lush.*] I merely mention those things, because when the public pay for it, they look for the corps being efficient?—The public were not paying for it at that time.

5274. There was some blame attached to the corps by the public, was there not, in both those instances?—I doubt very much whether there was any blame attached to the corps in either case, because I have not heard of it, and I am generally the first to hear of it, if anybody complains; I may add that our men are very carefully selected in the first instance; they are passed before a surgeon, who has had 30 or 40 years' experience of such work, and they are never appointed until they get a proper certificate from him. We have a very good class of men, so far as physical strength goes; then they undergo a complete training, so far as it is right to train men of that class to understand the whole theory of their work, and then they go out to practise their work.

5275. I see by your report, issued last year, that there has been a decrease in the number of fires in the year 1866?—Yes.

5276. But up to that period there had been a progressive increase?—Yes, it has been almost progressive.

5277. And the proportion of fires of which the causes were unknown, was also very much on the increase?—Yes, I believe that they have been continually increasing for many years.

5278. *Chairman.*] In your report of last year, I find that considerably more than one-third, in fact nearly one-half, of the fires were of unknown causes?—No, not more than one-third; a little less; but the fact is, that unknown causes have been forming a larger per-centage on the total for many years past.

5279. Can you explain why unknown fires have been on the increase of late years?—I can hardly explain why they have been on the increase. There is at the present moment no formal investigation into the causes of fires in London, but I do not imagine that the causes would be much more known if there were that investigation.

5280. Do you believe that if you made as searching an inquiry into the causes of fires as could be done, it would have no beneficial result?—Not if we made as searching an inquiry as we could do without authority. I think that we compare rather favourably with other towns in that respect.

5281. When you are investigating into the causes of a fire, does anything suspicious ever occur to you in the circumstances?—Yes, very often.

5282. Do you report such things to the insurance companies?—I put them down in the morning report; we can never, in our daily report, publish that a fire has been an incendiary fire, because the evidence is not complete by that time; we put down doubtful, and afterwards, if

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it turns out to be an incendiary fire, it comes into the annual report.

5283. You do not put them down as suspicious?—No, "doubtful" is the usual term for them.

5284. Lord *Richard Grosvenor.*] Could you explain to the Committee your course of proceeding if you find a fire that you think is an incendiary fire; suppose the first man who goes into the house finds oil and shavings there, what is his course of procedure?—Our course of proceeding is the same as in all the other towns of Europe, St. Petersburgh, Berlin, Paris, and some towns in America. One of the officers of the Fire Brigade undertakes the duty of going round and finding out, as well as he can, what information is to be obtained; he has to use much discretion in sifting the evidence that he receives, because if it is a large fire there is a kind of suspicion that somebody has set it on fire, more particularly where there are large employers of labour.

5285. *Chairman.*] Is it part of the duty of the Fire Brigade to investigate the causes of fires?—Not further than that,

5286. Is it a voluntary duty?—Perhaps it is voluntary on the part of the Metropolitan Board of Works, but it is not voluntary with me or my subordinates; we have our orders to do it.

5287. Do you think that if you had authority for the examination of witnesses with regard to the causes of fires, you would be able to reduce the number of "unknown" fires?—I do not know that I should be able to reduce the number of "unknown" fires. I think it is quite possible that if some properly authorised public officer had the duty of doing that, the number might be slightly reduced; but the benefit that I should expect would not lie in that direction, perhaps; it would rather lie in the direction of rooting out of such towns as London those gangs of men who are leagued together for the purpose of making fraudulent claims upon intentional fires.

5288. The effect would be to reduce the number of fires generally, would it not?—There is no doubt that it would reduce the loss to the general public very much.

5289. You are of opinion that such investigations would have a good moral effect?—A very great moral effect.

5290. Do you attach great importance to examining witnesses on oath?—It is very difficult to say; but I think that in the first instance it might be more advisable not to do so. But to large employers of labour it would give annoyance if every one were allowed to come up and make his statement not on oath, because a man could not then be punished for a false statement.

5291. The number of "unknown" fires in London was in the proportion of 589 to 13·38 last year, was it not?—Yes, about 44 per cent. In Liverpool, in the year 1860, the per-centage of "unknown" fires was 67, and in 1862 it was 66.

5292. Are you aware that in Liverpool they take every means in their power to discover the causes of fires?—Yes, I think they do; though they can do no more without possessing some greater power than they have at this moment.

5293. It is in evidence that the difficulty is that they have not the power of examining witnesses on oath; if they had that power, do you think that they would be able to reduce the number of fires?—I think it possible. In Dublin the proportion of "unknown" fires in the year 1864 was 40 per cent., and in 1865 it was upwards of 55 per cent. In Sidney, in the year 1865, the proportion of "unknown" fires was upwards of 35 per cent. In Montreal, in the year 1864, the proportion of "unknown" fires was upwards of 43 per cent., and in 1865 it was upwards of 42 per cent. In New York, where there is a fire marshal, the proportion of "unknown" fires in the year 1861 was 47 per cent., and in 1862 it was 38 per cent.

5294. When was the fire marshal appointed?—About 20 or 25 years ago, I think; at all events it was many years ago. I never heard of New York being without a fire marshal. I think it has been given in evidence here that the fire marshal at New York is now a paid man, which seems to imply that he was once a volunteer, which is not the case at all, so that to discover if possible if there has been any decrease in the number of fires since the fire marshal was appointed, you must look back for, I think, 30 years. I should like to call the attention of the Committee to a question which was put to Mr. Young respecting the fire marshal in New York, on the first day on which this Committee sat. He is asked at Question 76, "Is he a paid man?" and he replies, "He is a paid man; the volunteer system degenerated into a political organization." But the fire marshal is an officer of the municipal powers in New York, and he never had any connection whatever with the volunteers, nor has he now with the paid brigade. With respect to the number of "unknown" fires, I may add that in Troy the number of "unknown" fires is upwards of 63 per cent., in San Francisco it is 73 per cent., and in St. Louis it is 36 per cent.

5295. I suppose you cannot give the Committee any information with regard to whether there was a decrease in the number of "unknown" fires after the appointment of the fire marshal at New York?—I cannot.

5296. Mr. *Lusk.*] Is it the fact that fires have been lately exceedingly abundant in New York and ruinous to the companies there?—Decidedly; the fires in New York are very heavy and very badly put out, and it was that circumstance which finally led to the breaking up of the volunteer organization.

5297. It has been stated here that the number of suspicious fires is increasing; I will ask you, as being a disinterested person, what is your opinion on that subject?—My opinion is that they are increasing.

5298. I presume they are fires that you may fairly suppose are cases of incendiarism?—When I offer an opinion on that subject, I am getting rather out of my present department. I am a public servant; but hearing of those fires, and hearing of those claims, and afterwards having inquiries from the insurance companies about them, I cannot be ignorant of the fact that there are very many suspicious fires, and I cannot hesitate to state, when asked the question, that those suspicious fires are on the increase.

5299. *Chairman.*] Is it not the fact that a good many of the fires which take place in London must be called suspicious?—We have at times very strong suspicions about them.

5300. Mr. *Lusk.*] Do you think, in fact, that the causes of fires which ought to be looked at from a criminal point of view are on the increase?—I do.

5301. Mr. *Kinnard.*] Is it your impression that you are able to arrive at a tolerably accurate judgment of the causes of a fire?—Yes. So far as that per-centage which I have given goes, I have only put down the "supposed cause;" but certainly, in 99 cases out of 100, those are the absolute causes. Then, with regard to those which I have marked "unknown," I can give no opinion.

5302. *Chairman.*] I see in your return you mention among the causes of fires six cases which arose from the explosion of paraffin lamps, and one case from paraffin alone; what was that?—I cannot remember off-hand what it was, but my impression is that it was some paraffin at an oil refinery which lighted.

5303. It was not an explosion in a shop from any storage of paraffin oil?—No; I think it was in a factory.

5304. You have got one case of "explosion of a paraffin lamp"?—Yes.

5305. Did you investigate the quality of that paraffin oil?—No; we have no power to do so; but that case was without any doubt.

5306. You have got six cases of "lime slaking;" was the lime in those cases stored in houses?—In some cases in houses, and in others in barges. The lime getting wet from a high tide causes a fire.

5307. You have in your return 46 cases marked "gas," and 54 marked "escape of gas;" the sixth part of the fires in London being from gas, can you tell, in the first place, from your investigation, how the gas causes those fires?—When we put down "gas" alone, it is a gas bracket, which lights something. My opinion is, that fires in shops would be very much prevented, first by having better fittings for the gas, and, secondly, by more care on the part of the people using it.

5308. Lord *Richard Grosvenor.*] Still, candles are far more dangerous than gas, are they not?—I have prepared a statement of the causes of fire for 35 years, which I think it may interest the Committee to hear. It will be found from that statement that in those 35 years candles caused 11 per cent. of the losses; children playing with fire, 9½ per cent.; curtains, nine per cent. and upwards; flues, nearly eight per cent.; gas, under eight per cent.; lucifer matches, not 1½ per cent.; smoking tobacco, 1$\frac{4}{10}$ths per cent.; sparks from pipes, under five per cent; spontaneous ignition, under one per cent.; stoves, under two per cent.; other known causes of various kinds, 19½ per cent.; and unknown, 32 per cent.

5309. That is the average for 35 years?—Yes.

5310. Does that make up the 100?—Yes.

5311. Mr. *Kinnaird.*] I suppose the item of children playing with fires, means playing with lucifer matches and fire generally?—No; I put the lucifer matches apart. While the Committee is dealing with this subject, I may give a short summary of something connected with loading of ships. The Committee are aware that steamships light their fires and draw their fires alongside valuable warehouses, and when that is done alongside warehouses of exceptionally great value, it is very dangerous. But the loading of ships themselves is, I think, a point that must come before some Committee or authority at some time or other. I will quote the case of the burning of the "Montmorency." That ship went out from London on the 11th of December last year, and she arrived safely in the roads of Napier, New Zealand, on the 24th of March this year. She carried a cargo of emigrants and general goods. She arrived safely in New Zealand, and got the emigrants on shore, but she caught fire during the night and was totally destroyed. I have inquired at Lloyd's, and I find that the paper from which I am reading is authentic. I will give the Committee a list of the things loaded in that vessel. "Mr. Fawkes, the chief mate, who superintended the stowing of the cargo in the London Docks, and knew where every part of the cargo was stowed, said the fire broke out among the cargo in the forehold, which consisted of Stockholm tar, barrels of coal tar, pitch, turpentine, casks of cook's fat, and between 200 and 300 boxes of candles." It can hardly be believed that a ship carrying a large cargo of emigrants was allowed to go out of port with such a cargo as that underneath.

5312. Lord *Richard Grosvenor.*] In what port was that ship loaded?—In the London Docks; I believe there is nothing contrary to the law at all in such a cargo; it is an ordinary course of proceeding, but it is almost incredible that people should be compelled to run such a risk.

Monday, 24th June 1867.

MEMBERS PRESENT:

Mr. Beach.	Mr. Lusk.
Mr. Gorst.	Mr. M'Lagan.
Lord Richard Grosvenor.	Mr. Turner.
Mr. Kinnaird.	Mr. Whitmore.
Mr. Lanyon.	

PETER M'LAGAN, Esq., IN THE CHAIR.

Mr. JAMES ODAMS, called in; and Examined.

Mr. *J. Odams.*

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5313. *Chairman.*] You desire to give some evidence with regard to the construction and position of warehouses, do you not?—I do.

5314. What is your business or profession?—I am a chemical manure manufacturer and wharfinger.

5315. You are not an architect, I suppose?—Only my own architect, with regard to my own buildings.

5316. Have you had anything to do with the erection of warehouses?—Yes; I have had to do with certain particular warehouses for the storage of petroleum and jute.

5317. That is to say you have had to do with warehouses for the storing of hazardous materials?—Yes; for hazardous materials.

5318. What is the principle on which you erect your petroleum warehouses?—That of detached cellars (*producing a coloured illustration*).

5319. Where is this set of warehouses situated?—Immediately below the Victoria Dock entrance.

5320. How far is it from the City?—From the City, by water, I should say it is about six miles, and it is about 25 minutes' ride by railway.

5321. The principle of erection which you adopt is that of detached cellarage?—Yes; each compartment is about 150 feet long and 30 feet wide, raised with concrete three feet from the surface, and the walls 10 feet high from that, each forming a complete cellar, so that it would contain the cubic contents of the whole of the barrels.

5322. How much is it below high-water mark?—The meadows where these buildings stand, and which were formerly marsh land, are 11 or 12 feet below the high-water level of the Thames.

5323. Mr. *Kinnaird.*] What amount of goods can you store in each compartment?—In each compartment, 30 feet wide, and 150 feet long, we can store about 2,500 barrels, and in a double compartment, not quite double that; that is in consequence of the passages required to break them down when the merchants want them.

5324. *Chairman.*] Have the importers availed themselves of those warehouses?—The majority of them have, now. I may add, that there is little petroleum stored anywhere else.

5325. If there was any barrel to be broken, I suppose there could be no escape of petroleum whatever out of the compartments?—No; certainly not, unless it was by long percolation through the soil.

5326. Have you not made the floor waterproof, or oilproof?—No; not the bottom; some of them were made so, but the expense is very great, and the trade was very fluctuating.

5327. How can you prevent the water rising into the cellars?—We have no water there; to save what little drains from the cask, we dig, perhaps, a well two or three feet deep, and it percolates through, and by that means we recover some of the leakage.

5328. Have you ever had any accident, such as a barrel being broken?—Occasionally, in removing the barrels, the hoops burst.

5329. Have you ever had any fire?—Never.

5330. How long is it since they were erected?—It is three years since we commenced business there.

5331. Mr. *Kinnaird.*] Are you speaking for a Company, or individually?—It is a Company with a small capital; I am the projector, and the principal shareholder; we commenced in 1864.

5332. *Chairman.*] Can you give the Committee any idea of the quality of the petroleum which has been imported into those cellars?—No; that is out of my province; I am only storekeeper.

5333. Would there be any difficulty when petroleum was imported, in ascertaining what was its igniting point before it was stored?—Not at all; we have chemical tests.

5334. But we require an actual fire test, do we not?—Yes; heating it; we should not do that there, because I have strictly prohibited all lights on the premises, or near them.

5335. But I suppose, in a small iron shed, it could easily be done without any danger to the stores?—The insurance offices have a very great objection to fire coming on the premises. I prevent even the soldering up of the tins there; we take them away further. I have some land adjoining.

5336. Could you not draw off a sample of the petroleum from the barrels, and test the firing point at the place you have mentioned?—Certainly.

5337. The Committee have heard that there would be a great difficulty in testing the firing point of petroleum when it was imported; do you agree with that?—No; if you took bulk-samples, there would be no difficulty; but with every barrel, no doubt there would be a difficulty.

5338. But is it not the fact that petroleum is generally bought in bulk, and sample barrels sent?—We have a variety of brands in one cargo.

5339. But each brand is supposed to be of one quality, is it not?—Yes.

5340. Therefore

5340. Therefore, if we took one barrel from each brand, that would be sufficient to test the firing point, would it not?—No doubt it would.

5341. Do you know what is the firing point of merchantable petroleum in London?—I have not made that my particular study.

5342. Can you give the Committee any idea of the quantity of petroleum that has been imported and stored in those warehouses?—In the year 1864, we had 49,720 barrels; in 1865, we had 30,470 barrels; and in 1866, we had 73,427 barrels.

5343. Is that refined?—The great bulk of it is refined. At the present time we have about 50,000 barrels there, more or less.

5344. That is refined and crude?—We have very little crude.

5345. Has the quantity of the importation of refined been increased or diminished of late years?—During the war, it very much fell off. It has been increasing up to the present time, but it has very much depreciated in value, and they are not shipping quite so much.

5346. Has there been more refined than crude imported?—There has been more refined.

5347. That is on the increase, while the crude is on the decrease?—Yes; certainly.

5348. Can you account for that?—Not at all.

5349. After the barrels have been stored for a certain time, in opening one of your warehouses, have you ever observed any escape of spirit?—There is a strong scent of petroleum of course from leakage; but I have never observed any vapour.

5350. No; that would be invisible; but do you not think that there is a spirit which has evaporated?—Yes; there is a great deal of evaporation and leakage which takes place.

5351. Do you know the nature of the gas that is raised, and do you consider it hazardous?—I imagine it would be hazardous if a light were applied to it.

5352. Do you see any way of preventing that evaporation of dangerous spirit?—By keeping the warehouses cool I think the spirit would not ignite at a low temperature.

5353. But suppose they are kept at the natural temperature (because we are to use the oil at its natural temperature), what then?—We generally have them below the natural temperature.

5354. But still there is an escape of spirit?—Probably the gas escapes.

5355. Is it safe then to bring that oil for use into people's houses?—I am not saying that the vapour is an inflammable vapour.

5356. I thought you said that if a light was brought near it, it would explode?—Probably it would; but I have no definite knowledge on that point.

5357. Mr. *Whitmore.*] You never took a light there, I suppose?—Never.

5358. Mr. *Kinnaird.*] Are you insured?—Yes; I insure the buildings for the sake of my Company.

5359. At what rate do you insure?—They charge me one guinea per cent. per annum.

5360. *Chairman.*] Do you think there is any great risk in storing petroleum or any other article in safe warehouses of this kind with proper precautions?—Not the slightest.

5361. I mean when it is not stored near any other article of merchandize?—Just so.

5362. The great risk is in bringing those things close to other articles; is it not?—Yes; there is a risk by moving other goods about.

5363. Mr. *Whitmore.*] Is there nothing but petroleum in those warehouses?—Nothing else; we had once some barrels of turpentine there.

5364. Mr. *Kinnaird.*] Is this a paying concern?—I am happy to say that it is paying well; but during the time of the American war of course it was not.

5365. Is the trade reviving rapidly now?—The trade is very much depressed.

5366. Owing to what circumstance?—Owing to the large importations, Antwerp is blocked up with petroleum; the supply is very much more than the demand; in fact all the Continental ports are glutted with petroleum now.

5367. *Chairman.*] Have you a larger quantity of petroleum stored now than you had at this time last year?—Yes; considerably more.

5368. Mr. *Kinnaird.*] Are you aware whether any of the foreign countries have a better method of storing petroleum than we have?—I went over to Antwerp immediately after the fire which took place, being the only one which has happened, where petroleum was stored; I went over the Government stores, and some stores of private individuals, but I do not think that the means which they take there for preventing fire are anything like so good as our own.

5369. *Chairman.*] How do they store it in Antwerp; is it not in cellars?—No; they have forbidden that now; Antwerp is built on arches, extending through the streets a long way; it was at the terminal of one of those arches where the petroleum was stored, and I believe that the fire originated from some lighted hempen goods or tallow running into it.

5370. The fire took place above the cellars?—Yes; above the cellars.

5371. How was it communicated to the petroleum?—I think it was by a portion of the flames going down to the cellars.

5372. Was it not communicated by the vapour rising up and catching fire?—I think not, for this reason: I noticed a wall 40 feet high, standing over the cellars perfectly sound, and at some 50 or 60 yards along one of those avenues, a gentleman's counting-house was completely blown up, from the gas getting vent, though it passed over a great many barrels which did not ignite.

5373. Then, there must have been some vapour which took fire before the barrels took fire; you say that the counting-house was blown up by the explosion?—Yes; that was 50 or 60 yards off from where the fire was; the floor was blown up.

5374. Was that by the explosion of the gas?—Yes; by the explosion of the gas which was generated in the cellar.

5375. There was an inflammable vapour given off by the petroleum which was stored there, and that vapour communicated with the fire?—Whether it was vapour or burning petroleum, that was the effect.

5376. I thought you said that the floor of the counting-house was blown up?—Yes; it must have been the vapour, or the explosion of the gas; there were several buildings between which were not injured at all; there was this explosion 50 yards off.

5377. That was where the vapour was concentrated?—No doubt.

5378. Do the insurance companies take risks more readily for petroleum in England, than they

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do in other countries?—They take them at a much less rate.

5379. Do they take petroleum risks in ordinary warehouses where petroleum is stored with other goods?—I think not; they give me a decidedly low rate of insurance, and so they prefer those places specially adapted for the storage of petroleum.

5380. On offering your insurance to the companies, do they ever ask any questions with regard to the firing point of the petroleum?—Never.

5381. What led you first to construct warehouses specially for jute?—Some years ago when the fire took place at London Bridge, I was coming up the river, and I got there at 9 o'clock, at the height of the fire. It struck me, looking at such a great body of merchandize stored together, with a fire raging in contiguous premises, it was impossible to safely store any goods in such enormous bulk, without divisions. Some few months afterwards, having this land, I tried to bring out a company for the classification of goods, and for storing them in separate warehouses, but I scarcely succeeded; it cost me 3,000 *l.* or 4,000 *l.*, and I abandoned it. I then confined my attention to a smaller space than my 25 acres, but none of the principal shippers or insurance offices sanctioned it at first, and I could not get any manager, and having a large business of my own, I abandoned it, and devoted my attention to the storing of those two kinds of goods.

5382. What is the principle of construction of the jute sheds?—They are loaded from the top; they are simply brick boxes, having no communication whatever with each other. I think the jute fires which have occurred in London, have been caused by perhaps lucifers, or things of that kind. I do not say wilfully, but by accident.

5383. You do not think that the fires arose from spontaneous combustion?—No; I do not.

5384. You do not believe in spontaneous combustion with regard to jute?—I do not.

5385. If jute was steeped in oil, or you had oil mixed with it, then it would ferment?—No doubt.

5386. But if it was sent over in a proper state and properly stored, you think it would not ignite?—I think not.

5387. Have the importers of jute availed themselves of those warehouses?—One of the principal of them has availed himself of several of the warehouses. I have not completed them all, and have not catered much for them yet.

5388. Is there not an objection to this plan from the extent of the land that it covers?—The land down there is not so dear as it is higher up on the border of the Thames.

5389. But higher up the Thames you could not adopt this system, could you?—Not so well; the land is too valuable.

5390. If a fire was to take place in one box, there is no way of its communicating with any of the other boxes, is there?—Not at all.

5391. Have you had a good deal to do with warehousing goods generally?—No; not goods generally; in my own trade, I use brimstone and nitrate of soda, and so on; but I only store them for my own use.

5392. Then you can give the Committee no special information with regard to the origin of fires in warehouses generally?—I cannot.

5393. Have you turned your attention to the best means of preventing fires generally?—I think it could be done by the classification of goods, and by employing a surveyor to see that the regulations are properly carried out at the wharves.

5394. How do you prevent men from smoking in those warehouses?—I have a place where the men deposit their clothes, and there is a policeman on duty night and day, who, in the event of seeing anything of the kind, would immediately take the offender into custody; but I have never had a case of a man being taken into custody for the offence of smoking. There is a public notice put up, "Any person found smoking will be prosecuted." We only work from 8 to 4, excepting the summer time; in the winter time of the year, we never have a light on the premises.

5395. Do you think that the men carry lucifer matches about with them?—We have not discovered any; we have a fine for that, and we generally enforce it.

5396. Mr. *Kinnaird.*] Is the smell very offensive from the petroleum in those cellars?—Not at all; the tiles on those sheds are not mortared, and, consequently, there is ventilation. It is rather an agreeable smell than otherwise, though it is petroleum smell, of course.

5397. A person walking through would not have his dress infected, I suppose?—No.

5398. Have you been in Liverpool, and have you seen the mode of storage there?—Yes; the mode of storage in Liverpool was very bad indeed some years ago when I saw it. I have seen one or two warehouses there only. I do not know whether the mode of storage is now improved; the store which I saw was in a crowded district.

5399. Was there no interference by the authorities to prevent that bad storage?—I believe they have adopted some restrictions now, and what is stored is stored at a greater distance than it used to be.

5400. With a view to increased safety, have you any suggestions to offer to the Committee with regard to rules and regulations that might be made for storing petroleum?—I think that the proper classification of goods and strict surveillance are the great securities.

5401. From your experience, you think that those things are not sufficiently attended to at present?—Not in the Port of London, certainly.

5402. Should you be glad to see increased legislation on the subject of the storage of hazardous goods?—If any accidents were to occur, I am well aware that there are in the crowded districts of the metropolis a very large quantity of inflammable goods stored that would be attended with very serious consequences.

5403. At present there is no Act of Parliament in force rendering that storage of inflammable goods illegal, is there?—I believe not.

5404. *Chairman.*] Is there anything that you wish to add to your evidence?—I think not.

Mr. William Hancock, called in; and Examined.

5405. *Chairman.*] I believe you are an Assessor of damages for insurance companies?—Yes.

5406. For what particular insurance company are you acting?—I have none in particular; I am assessor for a great number of them.

5407. But for what insurance companies do you principally act?—The Liverpool and London, the Atlas, the Alliance, the Commercial Union, the Sun, the Manchester, the Scottish Union, and the North British Mercantile.

5408. You act for both English and Scotch companies?—Yes.

5409. In Manchester?—Yes.

5410. Throughout what districts do your duties extend?—Throughout England, Ireland, Scotland, and Wales.

5411. Therefore, you have had most extensive experience in assessing damages by fire?—Yes.

5412. Can you give the Committee any idea of the number of cases that have come before you in a year?—I should say generally about 300 to 400; the losses entrusted to me are generally large losses. I am a practical man, having been brought up to a practical business.

5413. Lord *Richard Grosvenor.*] What business was that that you were brought up to?—That of engineer.

5314. A civil engineer?—No; I was a practical working mechanic.

5415. *Chairman.*] In assessing damages have you to do with damages to houses as well as to goods?—Yes.

5416. Can you give the Committee any idea of the average amount of the claims which are sent in to you every year?—I have been looking over the losses which have occurred since last November; and, in eight months, the claims which I have settled are 146,000 *l.*; that is, the value of the claims made upon the offices.

5417. Upon that sum did you pay the full amount of the claims?—No.

5418. Did the claimants submit to a deduction?—Yes; in every case; there has been no exception.

5419. What is the actual amount paid?—£. 104,000, in place of 146,000 *l.*

5420. That is a difference of 42,000 *l.*?—Yes.

5421. Does that kind of thing happen every year?—Yes; it is invariably so.

5422. What inference do you draw from that fact?—There are several inferences to be drawn from it; one especially is, that every man who is in the unfortunate position of a claimant on an insurance company desires to make a profit by the transaction. In all the losses which I have settled during the last 14 years, amounting to perhaps 2,000 or 3,000 large losses, I could only put my hand on perhaps less than 20 of them that I consider have been quite satisfactory, and losses that I could have passed with fairness and reason as the representative of the insurance companies.

5423. Lord *Richard Grosvenor.*] Do you find that this tendency to ask more than they expect to get obtains among the superior class of insurers as well as among the lower class?—Yes; quite as much, and in some cases more so.

5424. *Chairman.*] But might it not be the reason for their asking so much more, that we are all inclined to put a higher value on what belongs to ourselves than other people?—That is true to some extent.

5425. It may be done from ignorance, perhaps?—It may be done from ignorance, and it may be from the natural desire of the Englishman to buy in the cheapest and sell in the dearest market.

5426. You have devoted considerable attention to the question of the origin of fires, have you not?—Yes; I try in all instances to ascertain that.

5427. What is the most frequent cause of fires?—I think there are several causes; I think in many instances the fires have been the result of incendiarism; I have had on several occasions an opportunity of saying to the assured, and in one or two cases more especially, "I believe you set fire to your own place."

5428. What was the reply?—There was no reply. I told the man positively, "Either you or your assistant set fire to this place; your assistant appears to be a decent sort of a fellow, and I do not think he did it."

5429. In the case you have in your eye, did you pay the claim?—In this case he claimed 1,100 *l.* and insisted at first on having it, but I was very firm with him.

5430. Why did not the company resist that claim?—There is much difficulty in resisting a claim. I paid him on this particular claim 110 *l.* only.

5431. You state that there is great difficulty in insurance companies resisting claims, what difficulties are there?—There is great reluctance on the part of the one as against the other to prosecute a searching inquiry; the competition is so very great at present, that each one looks on the duty as being not his own duty, but that it should be the duty of all the offices.

5432. Mr. *Beach.*] The fact of that man receiving such a small amount in satisfaction of his claim was an admission on his part that the claim was fraudulent, was it not?—No doubt. During the last eight months I have had 106 fires averaging 1,400 *l.* each, and amounting to 146,000 *l.* together, and they have been reduced by 42,456 *l.* and settled for 104,000 *l.*; everyone seeks to take advantage of a company, and to make a profit of it.

5433. *Chairman.*] You have stated that in your experience incendiarism is frequently the cause of fires?—I believe so.

5434. Do you know what proportion that cause would bear to the other causes?—If we take what I call wilful neglect, together with actual deliberate fire raising, I should say that they would bear the proportion of one-half to the whole.

5435. It is part of your duty, is it not, to inquire into the causes of fires:—Yes.

5436. Have you ever seen cases where there were traces of incendiarism?—Yes.

5437. Will you mention one?—There was a case a very short time since, at Bradford, in a paper warehouse, where I saw that the fire had been placed against a wooden partition; it had been placed in the centre of a large quantity of loose paper, and by some means the candle had not been stuck up firmly, and had fallen against the partition, that partition caught fire; but I think the candle had gone out a little too soon;

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it had fallen too heavily against the partition and had gone out, and the fire had not burnt as far as was intended. The candle was placed on a piece of tallow, perhaps, and by some means that tallow was not strong enough, and it fell over; the fire was discovered before it got head, and there we found the whole apparatus for setting the place on fire; there was a large quantity of paper placed by the side of the partition, strong brown paper, and in parcels; between the parcels of paper and the wooden partition there was a large quantity of loose paper stuck in the whole way along, so that the fire might run along the loose paper and destroy the partition; that I thought was a very clear case.

5438. Did you accuse the man of doing it?—Yes; I said, "Some one set this place on fire;" he was an impudent fellow; I told him clearly "You are a very great rogue; you set this place on fire, I believe; but at all events appearances will justify me in saying that you were not very far off when the place was set on fire;" he said, "You may think what the devil you like;" I said, "Do you know that this place is not insured in your own name?" he said "No; whose name is it insured in?" and I said, "In the name of your partner; where is he?" he said "What odds is that to you?" I said, "I cannot recognise your claim;" he said, "He is on his road to California;" I said, "That is a long distance;" and he replied "Yes; but if you want him back I will bring him back." I told him, "I shall want him back; I cannot pay you the money without his signature;" he said that he saw no reason why I should not pay the money. I said, "The contract is between the insurance company and your partner;" he said, "I have bought the property from him;" I said, "What did you pay for it?" he replied, "That makes no difference to you;" I said "Yes it does, because I want proof of that; and even though you may have made an arrangement with him to buy the policy, yet the office is not bound to recognise you without the policy being endorsed." He was claiming from 500 *l.* to 600 *l.* I told him that I must refuse to recognize his claim under any circumstances; he put the matter into the hands of a solicitor. I reported the case to the office, and they said, "It is a very bad case, but we do not want to go into court;" and eventually we paid him 30 *l.* and got rid of him.

5439. Lord *Richard Grosvenor.*] That is not a singular case, I suppose?—No, it is far from being a singular case.

5440. *Chairman.*] Have you ever had suspicious cases of fire in Scotland?—Yes; I had one in Edinburgh.

5441. In what trade was the man?—He was a stationer; he claimed 400 *l.*; he had got a very large model of the Tower of Babel, and for some reason or other the fire broke out in the cellar in which he kept this model where it had been damaged by the water; we thought the damage was very trifling; he claimed 400 *l.*; I tried to settle it with him but he said he would take nothing less; in the course of a short time when he saw there was no chance of satisfying the company that he had lost that sum of money he put it into the hands of a solicitor; I was requested to come up and get the evidence together to resist the claim; I thought I had better try to settle with him; I requested that he should take out the whole of his property; he showed me some stamping machines and so on, but the principal thing was the model of the Tower of Babel; I do not know from what cause, but I now found him rather more tractable, and in the course of a short time I paid him 20 *l.*

5442. That was for the damage from water as well as from fire, I suppose?—Yes; it was principally damage by water.

5443. Have you had cases in Ireland?—Yes.

5444. Is there a larger proportion there than in England or Scotland?—Yes; I have really said that I will not go to Ireland any more because of the extraordinary claims which they make; I have said to every one of the offices, do not send me there again.

5445. You think that Ireland is a bad field for insurance companies?—Yes; I have suggested the propriety of every office withdrawing from there; I may be wrong but that is my opinion.

5446. Lord *Richard Grosvenor.*] Incendiary fires in Ireland are mostly malicious fires, are they not?—No; I think that a malicious fire is paid for by the Government.

5447. You have been speaking of fraudulent fires, then?—Yes.

5448. *Chairman.*] Have many cases come under your cognizance of houses being set on fire, not by the occupiers themselves, but by strangers?—Yes.

5449. Has that been in agricultural districts?—No; I have not had much to do with agricultural districts; my attention has been more particularly directed to large mercantile losses. I may mention the case of John Black and Company of Glasgow; I think that place was set on fire by his men; that was a rope manufactory and ship chandlers; his premises were very extensive, and at the time the fire occurred, he was having some dispute with his men. I have no doubt that a man got in, and set the place on fire. Mr. Black was perfectly satisfied that that was the case; in fact, I have no doubt of it from the place where the fire originated; it was a long distance from there; it was at first said to have been, namely, the tar-pot; that was evidently a case of incendiarism on the part of the men.

5450. Have you ever had anything to do with the fires in Liverpool, in the cotton warehouses?—No; they are generally settled by a salvage committee; but I was settling a large loss in Liverpool, on Saturday last; it was the case of a large ropery.

2451. It has been said that those cotton warehouse fires arise very much from the subordinates engaged there, setting fire to the premises to hide their peculations?—That is sometimes the case, I believe, but I very much believe in spontaneous combustion in cotton, for I have stood by hemp and cotton, and seen them begin to burn.

5452. When there was oil among them, perhaps?—There was waste, but I have never been able to discover whether there was oily waste or not; oily waste would have a greater tendency to spontaneous combustion than dry waste; but I think that even wet cotton will, with a certain amount of pressure, being allowed to remain some time in the same place, produce spontaneous combustion.

5453. Mr. *Gorst.*] Is that merely your opinion, or do you speak from experience?—I saw it in my own mill twice, when the mill was burnt down, and I came to the conclusion that the origin of the fire in each case was from damp cotton being put together;

together; I do not think that there was any oily waste there; but there was some doubt about it.

5454. But you are not satisfied that it was not oily?—It may have been.

5455. Lord *Richard Grosvenor.*] Have you ever seen cases of fires in jute which you imagined to be spontaneous?—Yes; Henderson's of Dundee was one case; I have thought that many of those warehouses in Dundee have been burnt by spontaneous combustion.

5456. *Chairman.*] You think that spontaneous combustion does take place in jute when damp with water?—I feel sure of it.

5457. Has that been thoroughly proved?—I thought that Mr. Henderson's loss was the result of putting damp jute together; if I see that in the internal part of a large quantity of stuff the substance is blacker there, and the fire far more intense, the necessary inference is that the fire originated there, for there is no communication between that and the outside; but, even if there was a communication between that and the outside, I should still consider that that was the origin of the fire, because the fire would have a great tendency to rise.

5458. The fire may have originated there, but still you have no doubt that the jute was wetted by water and not by oil you say?—Yes; I do not think there is any oil in a jute warehouse.

5459. Are you aware whether in an ordinary stack of corn, if the natural sap is not out of the straw, it will heat, and perhaps spontaneous combustion will take place?—Yes.

5460. But if the natural sap has been thoroughly dried out, and it is only damp with water it will not heat?—I am not so sure about that.

5461. May it not be the case that it was the natural sap of the jute which caused the combustion?—I do not mean to say that it has been merely water; I mean to say that it is put there in its natural damp state without being sufficiently dried, not that water has been put to it. When we had the very heavy floods throughout Lancashire and Yorkshire a short time since, a great quantity of wool was washed down in the neighbourhood of Dewsbury and Wakefield, and all the rest of that district, and on its being picked up and put in a heap, I settled ten or a dozen losses arising from putting this large quantity of wool together in a wet state.

5462. There is always a little oil in wool, and the wool will heat?—Yes; I do not say that the fire originated through the water alone, it may have been water and oil; but on that particular occasion we had a very large number of fires.

5463. Lord *Richard Grosvenor.*] Do you know from your own knowledge that spontaneous combustion was a cause of fire not known to the insurance offices some ten years ago?—I do not think that our attention was so much directed to it, and I think we were in a very different state from what we are now in; there were not such large quantities of waste put together.

5464. I suppose that more care was taken in the storage?—Yes.

5465. I mean in the storage and classification of goods in dock and other warehouses?—My experience does not extend to dock warehouses.

5466. *Chairman.*] But are there not a great many more hazardous things imported to this country than there used to be?—Yes; with regard to woollen mills I may state that there is not that system of removing the waste frequently which there ought to be, and hence we have spontaneous combustion. There was an instance a very short time since in Frith's mill at Bradford, where we paid some 20,000 *l.* When the men got into the mill they saw a wooden bin in which the waste was put; a large quantity had been placed there on the previous night which was very wrong (and I raised the question as to whether the company was liable), and in the morning when the fire was first discovered, there was no external flame, it was seen through the windows; care was taken in opening the doors, but some person came and opened another door, and the whole place was in a blaze directly; that was clearly a case of spontaneous combustion.

5467. Have you found very frequently that goods are destroyed as much by the water as by the fire?—I think so.

5468. Have you ever had to remark any carelessness in that respect on the part of the Fire Brigade in large towns?—No.

5469. They are most indefatigable everywhere, are they not?—Yes.

5470. Have you found any deficiency in the supply of water?—Very often.

5471. That has been in the summer months, I suppose?—No; all the year round; it is often the case.

5472. Is that the case where there are private water companies, or where the supply of water is under the local authorities?—I have not noticed any difference; there appears to be no arrangement for having the water on at all times; and it often happens that the fire takes place at the wrong time.

5473. You say you think that half the fires are caused by incendiaries?—Yes.

5474. Are there many fires that take place, the causes of which are never discovered?—Yes; I think, generally speaking, we do not discover the cause; but when you find there is no reason to suppose that a fire could originate itself, that is very suspicious. For instance, if I found a fire under the counter of a draper's shop, I should very naturally say, "The fire has been put here."

5475. Have you ever seen a fire which originated from petroleum or turpentine?—Yes. I am engaged now on a loss at the Trongate, in Glasgow, where a fire originated from petroleum.

5476. How did that fire originate?—There was a leakage in the cellar, and a man went down to ascertain what was the extent of the leakage; and without his putting a flame to it to try it, the whole place was set on fire by the gas rushing up through a trap-door; it set the shop on fire, but it did not burn the stairs so much; it was a retail druggist's shop.

5477. What quantity of the article was stored in that place?—There were five or six barrels of turpentine, and there was petroleum as well.

5478. Was it the vapour from the turpentine or from the petroleum which set the place on fire?—It was said to be the petroleum. Another fire occurred at Palmer's, in Glasgow, from the vapour. It is only necessary to bring the fire within a certain distance, and then there is a gas arising which would ignite even if the fire was at several feet distant.

5479. That was a case of works in which petroleum was refined, was it not?—Yes.

5480. Those accidents might, in fact, occur any day whatever?—Certainly.

5481. Have you ever had any cases of fire from

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from petroleum in Manchester?—No; I think there has not been one.

5482. Are you aware of there being a Petroleum Act, which prohibits the storage of more than 40 gallons with a firing point under 100°?—Yes.

5483. Do you think that that Act is evaded?—Yes; very frequently.

5484. Lord *Richard Grosvenor.*] If you had a fire caused by petroleum, and you found that a man had evaded the Act, would that influence you as to paying the claim?—No.

5485. *Chairman.*] Why is that?—Because the insurance offices have a very strong dislike to interfere in a matter of that kind.

5486. Do you not think that they are culpable in that?—I cannot say. Where a number of subscribers subscribe for the purpose of fire business, they do not subscribe for the purpose of becoming public prosecutors.

5486.* Have you ever found any difficulty in investigating the causes of fire?—Yes.

5487. In what does your difficulty principally consist?—If you were to suggest to a man who has made an overreaching claim any opposition to his obtaining his money, he would immediately take some steps; he would at once say, that you had been guilty of some impropriety; he would write to the office, saying, that you had become very pugnacious, and that you were trying to inquire into his private matters; he would at once place the matter in the hands of his solicitor, and the solicitor would write, demanding the whole value of the policy; the offices must then go into court or pay the claim; and in many instances we have been obliged to pay the claim, rather than go into court.

5488. Lord *Richard Grosvenor.*] Then, to a certain extent, the insurers deny your right to investigate the causes of fires?—They do; suppose a warehouse, with the goods, was totally destroyed, so that there was no chance of finding traces of the origin of the fire, he would consider that he had the upper hand of you.

5489. *Chairman.*] You have stated that there are a great many fires whose causes are unknown; do you think if it were made imperative that there should be an investigation into every fire, you would be able to discover more of the causes of fires?—Yes.

5490. Is it not the fact, that every obstruction is now thrown in the way of investigating the causes of fires?—Yes.

5491. Have you ever turned your attention to the best way of investigating the causes of fires?—My own impression is, that there should be established a court for investigating those causes.

5492. You are not prepared to recommend any particular mode of investigation, but you think that a legal investigation would be a good thing?—I think so.

5493. And you think that would have a good effect in diminishing the number of fires?—Yes. But I do not think that that should be the main object of investigation. The main object, in my opinion, should be to ascertain by some means or other what was the actual loss.

5494. You are now speaking as an assessor, but looking upon a fire as a public offence, the duty of the court or the officer would be to investigate it as being an offence against the public, and not against the insurance companies?—There is this difference. I think if you prosecute a man for felony, the character of the investigation is very different. The man who committed the felony was there at the time; but where a fire loss has occurred, there is an uncertainty about it. If I choose to set my place on fire, a felony has been committed, and some person must have done it; but there is a degree of accident about setting a place on fire, and the character of the investigation would be a very different thing indeed to the character of an investigation if there was a felony. If, for instance, I want to set my place on fire, it is only necessary for me to go to a place 3 or 4 or 5 hours after the men have left their work, and to put a candle on a piece of wood in a piece of tallow, and I know that in about four hours' time that candle will have burned down, and the nature of the stock round that candle is such as to burn, and that it is in such a position that nobody can get near until long after all trace of the thing has disappeared.

5495. Mr. *Gorst.*] But if a man commits a murder it may be to the same extent what you call an accident, and a coroner's inquest on a dead body is an inquiry which does not pre-suppose a felony?—Murder would not be an accident.

5496. Lord *Richard Grosvenor.*] What you really mean is, that the first investigation should not be a criminal investigation?—Just so.

5497. *Chairman.*] Let us suppose that there is an investigation into every fire by the police or the fire brigade; if they see anything suspicious they report it to some authority?—Yes.

5498. And he investigates the cause of the fire, and examines witnesses on oath?—Yes.

5499. And if it is really found that the investigation points to a certain person having set fire to the house, then a prosecution may commence?—I think that would be attended with much beneficial influence; but I still think that you would find a great difficulty in determining whether the place had been set on fire at all or not. If you set to work to discover who committed a felony you may find it or not, but the fact from which you set out is, that a felony has been committed; you begin by assuming for certain the fact of the felony.

5500. But the object of carrying on the investigation is, to find out who committed that felony, is it not?—The origin of a fire may or may not have been the result of incendiarism.

5501. The Committee is aware of the difficulty of investigating into the causes of fires; what we want is your opinion with regard to what would be the best way of proceeding; whether the fires are accidental or intentional. Now it has been suggested by the evidence given before this Committee, that an investigation should be held into every fire, and if anything is found suspicious in the case, that then it should be carried into a higher court; what is your opinion of that suggestion?—I think it would be a very good plan if by any means you were able to hold a court like the coroner's court.

5502. *Chairman.*] But in the event of such a court being established, do you think that we should be able to discover the causes of fires better than we do now?—No, I think not.

5503. Still, if you had a court of that kind, would you not have more power to enable you to take evidence on oath?—Yes; but a great difficulty is to prove intention on the part of the man who set the place on fire. His object is to get more money for his place than it is worth, and I think that if, by any possible means, you could

investigate the loss, that would have a greater tendency to prevent the setting of places on fire than anything else.

5504. But if you had such a court as you suggest, for investigating the causes of fires, do you not think that it would assist the insurance company very much in investigating the amount of the loss?—Yes.

5505. If the coroner's court should decide that the fire is suspicious, the office would then have something to go on in resisting the claim?—Yes, I quite see that.

5506. Do you not think that a judicial investigation would have the effect of reducing the number of fires, and clearing up the causes of fires?—That might be the case, but I am not sure about it.

5507. Lord *Richard Grosvenor.*] Do you not think that the mere fact of the existence of some legal investigation would act as a check on fraudulent insurers?—To a very considerable extent it might; but I do not think that it would be the principal deterring influence to setting a place on fire; if a man had no chance whatever of obtaining a greater sum of money than he ought to have, that, in my opinion, would have more influence than an investigation.

5508. But do you not think that the investigation would act as a strong deterrent?—Yes, to a very considerable extent.

5509. Have you not turned your attention to the question whether it should be a coroner or police magistrate, or whether a fire marshal should be appointed for that purpose?—My own impression is that it should be a separate court, with power to call before them all persons connected with the affair.

5510. Do you not think that the examining of witnesses on oath would be a great advantage?—No doubt.

5511. I suppose it is not part of your business to investigate the risks before the insurance offices take them?—No.

5512. But you have to trace out everything from the beginning before a fire occurred?—Yes, and there is the great difficulty. For instance, with regard to a man's stock, I think he ought at all times to produce a stock account to show whether he has been carrying on a certain amount of business or not.

5513. But you know, I suppose, that in a real case of incendiarism, the man usually removes all his stock?—That is not always the case; the great difficulty is to know whether he had the whole of it on his premises, and whether he has sold the stock at a better rate by the fire.

5514. Have you noticed that those heavy losses have taken place at times when there have been great fluctuations in a particular trade?—Yes; that is remarkable.

5515. *Chairman.*] Is there anything that you wish to add to your evidence?—No.

Mr. Henry Daniel, called in; and Examined.

5516. *Chairman.*] In what capacity do you appear before the Committee?—As partner in the firm of Alexander and Daniel, who have been auctioneers and valuers, and fire investigators for 35 or 40 years.

5517. In what town?—In Bristol. We represent 12 or 15 of the chief offices, including the Sun, the Norwich Union, the Imperial, the Royal, the Liverpool and London, and Globe, the Queen, the Atlas, North British and Mercantile, the London and Lancashire, the Phœnix, and a variety of other well-established offices.

5518. In what counties do you settle losses?—From Cumberland to the Land's End; from Weymouth to Aberystwith; the Channel Islands, in Ireland, and in fact in all the intermediate counties, but I have never been to Scotland.

5519. Do you settle losses for the Scotch companies in England?—The Scottish Union, and perhaps some two or three others intermediately; we have 15 offices on our books.

5520. Can you give the Committee any idea of the number of losses that you settle every year?—During the last five years they have been greatly on the increase, perhaps 100 a year. During the six months of this year, they have been growing very rapidly; they have been increasing during the last two or three years.

5521. Do you find in your experience that the claims are generally fully paid by the insurance companies, or that there is a large deduction?—There is almost invariably a very large reduction from the first statement of the claim, showing the falsity of the whole system.

5522. Do you find that there are more losses in any particular district than in another?—I have found South Wales is a very bad district, more especially a few years ago.

5523. Then how is it with regard to Ireland?—Our experience has not been very great with regard to Ireland; but I was requested to go there within three or four days of the Fenian rising, and I have only just returned from there.

5524. Had you many losses to settle?—I had five, and one of them undoubtedly proceeded from the excited state of the country; advantage was taken of that.

5525. That was a suspicious fire, you think?—Extremely so; from the nature of the material claimed for, we were certain that that must be five or six times less than the quantity claimed.

5526. In what class of buildings do you find that fires most occur?—In commercial houses more than among farmers.

5527. You find that there are more fires in commercial houses than in ordinary dwelling houses?—In shops most of all.

5528. What class of traders are they generally; are they large traders or small traders?—They are more of the medium class of men, the claims ranging from 300 *l.* to 1,000 *l.*

5529. Do you find that those fires take place more in one trade than in another?—The drapery is rather an unfavourable branch, because the destruction is more entire, from the more combustible nature of the material; the evidence left does not enable us to check the design of the trader, as it would with iron or metal goods, where we get the articles remaining in some shape or other.

5530. Have you frequently found fires occur in shops where the shops are below and the dwelling-houses above?—Not so frequently as when the shops stand alone.

5531. So that no person can give warning?—Precisely.

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5532. The destruction would be greater in that case?—Just so. I can say most confidently that a very large proportion of the fires are not accidental in character, and that they are followed by most fraudulent claims. I should say that from 50 to 75 per cent. of the fires are not accidental; not clearly proved to be accidental; they are not straightforward. It is a matter of pleasure to us, knowing that the offices want to pay what is fair and right,—it is a matter of relief from the monotony and discomfort of having to be the judges of other men (as the public think), to be able to write a certificate to say, "For the most part this case seems straightforward and clear."

5533. But you would hardly say, would you, that the majority of cases were suspicious?—In a very large proportion of the cases I should say that they were suspicious; that is to say, they are involved in such mystery that, with all our accumulating experience (for I have had this matter under my own care for 12 or 14 years), and with all the tests that every additional case gives us, we cannot get at what we want. Every board of directors expects from us something like a satisfactory account of the origin and general characteristics of a fire, and frequently we are obliged to give that up in despair.

5534. From the causes of fires being unknown, and exorbitant claims being made, you think that most of the fires are suspicious?—Most certainly. In the South Wales district, something like six or seven years ago, during the mayoralty of Mr. Michael, he and his brother town councillors were so impressed with the danger to life, as well as the destruction of property, from the fires, that, of their own accord, they established a court of inquiry, I suppose without any law to justify him, but with the influence which his position gave him. He called on the superintendent of police to direct his attention to the subject; and, finding that the fires occurred mainly from Saturday to Monday, they had before them, on the following Monday or Tuesday, as much evidence as they could gather with regard to the cause of any fire, and that had the effect of reducing the fires in the Swansea district most materially, so that two or three years elapsed without their having 10 cases.

5535. What was the nature of the investigation which they conducted there?—Simply to obtain from the chief of the police the circumstances attending each fire. If there is anything suspicious in a case, I generally seek the assistance of the chief of the police, and perhaps find out, from his report, what the character of the fire was.

5536. Did the people object to that investigation into the causes of fires at Swansea?—I am not aware that they did; I may add that that diminution has continued to some extent up to even now.

5537. Do you know of any cases occurring where not the owner has set fire to his property, but some neighbour or stranger has set fire to the property of another?—I do not remember. The owner of the stock and effects in a house is generally, remotely or directly, the more culpable party.

5538. Has any case come under your cognizance of a servant differing with his master, and setting fire to his property in any way?—Yes; I remember the case of a man, who is now suffering penal servitude, in Gloucester; that was a claim submitted against the Norwich Union; and in the latter part of last year I had to investigate that case. That was a wilful firing of two ricks of wheat; the man was the under carter, and he had been very irregular in his conduct; his master dismissed him, and he remained about the farm for a considerable time; and more out of protection to himself than anything else, the farmer put him on again; he had been with the head carter, and two teams of horses, into Stroud, and finding that he had neglected his own team, going home, the farmer said he should look into it. Before nine o'clock, that evening, two of his ricks were on fire. In that case the proof was much clearer than it is generally, for the man had been seen going in the direction of the rick, and coming from the rick; and he had also come round a field, with a declivity, and had taken strides of five or six feet in running away. The police took that up as a case of arson, and matched his footsteps with the prints in the field. The office had to pay the loss, and the man was convicted.

5539. Do you know of any cases of culpable negligence?—One of my recent cases, perhaps; but that was rather a case of intentional fire than anything else, and the ground is delicate, as that case is under investigation at this moment. A great many of the most unsatisfactory cases arise among German and Polish Jews; they have a kind of cunning about them; they get the actual insurer out of the way. One case occurred in South Wales, where a young inexperienced agent had taken an insurance from a German Jew for about 600 *l.*, and this was a case in which the public at large felt much interested, because it was a pawnbroker's shop; I dare say the Committee are aware that if an article is deposited worth 50 *s.* and the party only draws 5 *s.*, and the interest is 1 *d.* or 1 ½ *d.*, that is all the insurer can claim, and that is all the depositor can claim. Instead of that fire occurring at night it was proved to have occurred between seven and eight in the morning; the husband was in London at the time, and the fire had evidently been contrived; the passers-by seeing smoke issuing from the place at that time, the people naturally felt anxious about their things, and they used every means in their power for getting the fire under, alarming the inmates and protecting the property. Receiving a very early intimation of that fire from the office, I went down into the country, and on my seeing the agent he said that he thought it was a very suspicious case, and on taking a bird's-eye glance at the house I saw that there could never have been 200 *l.*, instead of 600 *l.*, worth of property in the place; the insurer sent in a claim for 485 *l.*, without any detail, and so significant was the note put at the bottom of the claim that it necessarily attracted my attention; he said that 485 *l.* would not cover his loss, whereas the insurance was for 600 *l.*, and, of course, I wondered why he did not go further. It so happened that the pledges were not wholly consumed, and that the only thing that was consumed, which gave it so thoroughly a suspicious look, was the end of the counter on which the desk stood and on which the pledge books were said to stand; the pledge books being destroyed I adopted another plan, and I found that scarcely any one parcel was wholly destroyed, so having made those people understand the seriousness of their position, and not disguising that

that I was very dissatisfied with the character of the fire, they took my own cheque for 26 *l.* 10 *s.*, handed over the policy and gave me a receipt in full discharge of the claim.

5540. Have you ever found in any of those cases that the policy was burnt?—Very seldom.

5541. At what period do you find that those fires occur; is it often immediately before the premium is due?—In many instances that is so, although I have had fires occur even on the deposit receipt; I had one case in Birmingham.

5542. Was that a suspicious case?—Extremely so; that was on the first premium; the policy was taken out on Thursday night and the fire took place on Friday. This man was a jeweller, and he claimed 60 *l.* or 70 *l.* for stones and gold from his employer; he had been careful to have "goods on trust" put into his policy, and the consequence was that I was forced to have the general *débris* thoroughly sifted through sieves of various meshes to see if there was any gold; finding that he owed to his employer 60 *l.* or 70 *l.* I sent to the Assay Offices (he sending one sample and I sending another); and finding that there was no gold (as I well knew there was not), I ultimately paid him 25 *l.* instead of 130 *l.*

5543. What was the amount of insurance in that case?—£. 200 on the deposit receipt.

5544. Taking into consideration what occurred at Swansea, do you think if a legal investigation into the cause of every fire was adopted throughout the country, it would have the effect of reducing the number of fires?—Most certainly, it would have the effect of deterring people beforehand, but I could not say that in every instance we should get at the cause of a fire any more than we can now. Perhaps an assessor of any experience would have more within his knowledge than even an official man, until he had acquired equal experience.

5545. Have you turned your attention to the best means for investigating the origin of fires; supposing such a court was established?—I think it should be through the head of the police.

5546. In the first place, you would have an investigation into every fire?—Yes, but not in the form of a coroner's inquest. My notion would be that if a fire occurred of a small character and transparently genuine, and the chief of the police saw that it was genuine, and he was satisfied that the fire had nothing at all suspicious about it, he would scarcely report to any other official; but in large cases involving danger to life, the generality of which are perhaps suspicious, I think that a stricter inquiry would be most beneficial.

5547. You think that it would be most beneficial to have an investigation into the cause of every fire and if the superintendent of police found anything suspicious about it he should report to some other individual, such as the coroner, for the purpose of carrying on the investigation?—Yes.

5548. Are you decided in your opinion or not, whether the coroner would be the most suitable person for the duty?—I think he would. If I go into a strange place, the police superintendent does not know me; he does not know what use is going to be made of the information which he possesses, and he does not like to communicate it.

5549. Do you now find a difficulty in investigating the causes of fires, because you cannot examine witnesses on oath?—That is a very great difficulty.

5550. I there was any properly appointed officer for investigating the causes of fires, who had the power to examine witnesses on oath, do you tihnk that that would have a good effect?—I am perfectly confident that it would have a good effect in getting at the evidence, which we cannot do now.

5551. Mr. *Kinnaird.*] Was that Swansea investigation conducted in open court?—I am not aware of any witnesses being examined. I had one case entrusted to me in the North of England, which was an extraordinary case, because I had to do with a man of general intelligence and good education, holding some position in society. That was the case of an insurance for 5,000 *l.* or 6,000 *l.* I found from an investigation in the neighbourhood before I saw him personally, that 10 or 12 years before he had received a large sum of money from another insurance company; he had a running policy of from 5,000 *l.* to 6,000 *l.* His machinery was standing idle, his mills were not working, nor was t believed he had means to work them. I found that the fire commenced on Sunday afternoon; there was no one in the house itself, and I saw from the direction that the fire took, how the things had been placed all round the fire-place in a particular order; a box containing from 25 *l.* to 30 *l.* of music was alleged to have been totally destroyed, while other articles nearer to the fire had been but little burnt. These things gave me such power over him, that I made up my mind to resist the claim. He made a claim in most elaborate detail for 500 *l.* or 600 *l.* I went into the investigation, and sent to take a model of the place; he then yielded, and left everything in my hand. I gave him a cheque for 40 *l.* as against 600 *l.*, and he handed over the policy to me, and a receipt in full.

5552. *Chairman.*] I suppose you have a good many similar cases?—I have a good many similar cases with different features in them; such as a fire in one place twice in six months. I had two fires in one town in Somersetshire within a fortnight, both under suspicious circumstances, one being the temptation to the other. In one case life was considerably endangered, and in both cases the claims were fraudulent, and they were settled at an extravagantly low rate.

5553. Have you ever found when there has been a fire in a particular town, and a person has received a large sum of money for the loss, very shortly afterwards there was a succession of fires?—Yes, we have had two or three or four at a time.

5554. Do you not think that the insurance companies are somewhat to blame for the facility with which they pay claims?—The public charge against them is quite the other way.

5555. But what do you think yourself; do you not think that they pay claims too easily?—Were it not for the loss of prestige, and the fear that the competition between the companies might do an injury to the offices, I should very strongly advise their contesting many claims which are now settled.

5556. If we had that legal investigation to which we have referred, that would be one reason why they would not pay claims so easily, would it not?—If there were more difficulty in getting the money, I believe that the fires would not be so numerous nor so bad in character; of course that inquiry would have the effect you speak of.

5557. Is there any other case of the kind that you could mention?—One case came under our notice

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notice in South Wales where a fire had been distinctly put in three places.

5558. But still the insurance company paid the claim, I suppose?—Yes; but the claim was 1,400 *l.*, and the man took 150 *l.*, and then ran away from his creditors directly. I had another case in a midland county, some years ago, when there was a fire, having to do with small wood tool handles and brushwood; two men were in partnership, and one was much shrewder than the other, and the fire being very destructive, there was very little salvage. The claim was very large, which we had no power to resist, because the books had been defectively kept. He got a large sum of money, and then ran away; he quitted that part of the country, and he has since been outlawed as a bankrupt; but I think that he eventually surrendered. We have met with cases before now when the same man has had two or three fires in different towns; and taking a large district, we have come in contact with him again, he supposing that he would not come in contact with the same assessor. We had a case of a man in Bristol, whose place was on fire, and some few years afterwards we came across the same man in Wiltshire. There was one case in Somersetshire, where a man had removed a fat pig on Saturday that was worth 9 *l.* or 10 *l.*, because he had no live stock insured, and he took away his wife and children the same night; and the effect was that a fire was contrived on the Monday night, and the man came back on some pretext a few hours afterwards to see how it was getting on; his claim was a small one; it was only 97 *l.*; but one of the under-tenants came and accused him of having no regard for the value of their lives, so that he could simply claim the money for the insurance. He claimed 97 *l.*, and consented to take 5 *l.*; therefore, I left him with 5 *l.*, rather than take any other steps. I had a very bad case in the country, two or three years ago; and that case was so bad that the mayor of the town and the chief of police took upon themselves to lock up the man's shop, and put the city seal on, and kept it so until I came down. This was a German Jew.

5559. Did he go away?—He sent in a claim of from 250 *l.* to 280 *l.*, his insurance being only 200 *l.* I had recourse to a reference, and he referred me to a neighbour, whose award was not in his favour, and then he departed from the arrangement; afterwards I bound him down to abide by the judgment of two men, and he obtained only 42 *l.* 15 *s.*; I gave him a cheque, and obtained the policy out of his hands; I found soon afterwards that he had left England, the whole thing being transparent, because there was a little aperture between the store-room behind his shop where he could speak to his customers, and a candlestick had been introduced through that, for the purpose of setting fire to the place, and there was the great seat of the fire. He was trying to make us pay for a great many things which had not been consumed at all. There was a very bad case in the west of England not long ago where a man was agent for the office, and had two fires in one year before his first premium had expired, and both of them were traceable to an alleged wilful defect in his gas pipe. There was considerable delay in taking up the matter by the authorities, for fear they should not get a conviction; the man was under examination for eight or ten hours, but the authorities feared that they would not obtain a conviction before the grand jury, which turned out to be correct; but had the thing been taken up by a judicial inquiry under oath, a great deal of evidence would have come out which could not be got up after the parties had had time to consult together.

5560. Did that man threaten you for a malicious prosecution?—Yes.

5561. In fact you ran that risk?—Yes.

5562. I suppose that is one reason why you, acting for the insurance companies, do not prosecute more frequently?—Just so. I have met with one or two cases where the assessors have had actions brought against them personally. I met with a case in Devonshire, where a district had been notoriously characterised by bad fires for many years past, all the offices having to contribute to the wilful damage sustained, and not only were the claims very excessive, but on one occasion when the office determined to resist the demand made, as they have the right to do in the case of buildings, and took upon themselves to restore the premises, they allowed the restoration to go on until it was very nearly completed, and then by collusion among themselves they burnt it down again. I gave the man to understand in this case, that I should next time have a watchman on the premises day and night; the effect was, that he consented to take a very much smaller sum than he had claimed. Sometimes a distressing character is given to a fictitious fire, in order to convey to the world outside that there has been a very narrow escape. I remember a remarkable case in which through one of the workmen becoming partly inebriated, he revealed what we could not otherwise get at; I wanted the authorities to take the matter up, but they had no power to do so; this man whom I have alluded to, described how the partition had been taken down, so that the fire in the back part might be connected with the shop; when the fire occurred there was plenty of facility for coming down stairs in the ordinary way, but the trader preferred passing a young assistant through one of the windows on the first storey, in order, it was believed, to impress his fellow townsmen; in that case we had a very troublesome reference, his claim being nearly double the amount paid to him.

5563. You have a good many other cases of a similar kind, I dare say, though varying in the circumstances?—Yes; my deliberate conviction is that a judicial inquiry would be attended with very great benefit, not only as deterring people from these crimes, but in the preservation of valuable property, and also the preservation of life; I need not remind the Committee of that dreadful case in South Wales last year, when there were several lives destroyed; that was a case which was believed to be no more accidental than my presence here is accidental. I may add, with regard to any court to be appointed to investigate the causes of fires, that it should, in my opinion, be quite distinct from all questions relating to the insurance offices.

5564. Is there anything that you would wish to add to your evidence?—No.

Thursday, 27th June 1867.

MEMBERS PRESENT:

Mr. Agar-Ellis.	Mr. Laird.
Mr. Beach.	Mr. Lusk.
Lord Richard Grosvenor.	Mr. M'Lagan.
Mr. Horsfall.	Mr. Turner.
Mr. Kinnaird.	Mr. Whitmore.

PETER M'LAGAN, Esq., in the Chair.

Mr. Macgregor Laird, called in; and Examined.

5565. *Chairman.*] You are engaged in the Petroleum trade, are you not?—In that, along with other business, as a Broker.

5566. Can you give any idea of the extent of that trade during the last three or four years?—It has been very large; about 450,000 barrels have been imported into Liverpool during the last five years.

5567. Has there been a progressive increase in that trade during those years?—Yes, with the exception of one year.

5568. What year was that?—The year 1863.

5569. There was a very large import that year, I suppose?—Yes, unusually large.

5570. Can you account for that?—Petroleum then began to be largely used on the Continent, and the supplies used to come through England; but, subsequently, they have gone direct to the Continent, to a large degree.

5571. A great part of the petroleum now sent to the Continent is sent direct?—Direct.

5572. Can you give the Committee any idea of the shipments from America, during the last three or four years, to this country and the Continent?—The shipments from America altogether, in the year 1866, were 1,618,000 barrels; in 1865 they were 683,000; in 1864 they were 787,000; and, in 1863, they were 694,000.

5573. Has that been crude or refined oil?—All kinds of oil.

5574. Does your business extend to shale and coal oils?—Yes; we deal in those oils as well as in petroleum.

5575. But I presume that you have much larger sales in petroleum than in shale and coal oils?—Yes.

5576. But those articles are very similar in quality, are they not?—They are; to a certain extent they have the same properties.

5577. Which do you consider the more dangerous, the more explosive I mean?—Perhaps petroleum would ignite at a lower temperature than the shale oil, as a rule, though I have seen shale oil as inflammable as petroleum.

5578. In fact, the explosive nature of the oil depends very much on the manufacture of it, does it not?—Not being practically acquainted with the manufacture, I cannot say, but I believe it to be so.

5579. It would be quite as easy to make petroleum safe as to make shale and coal oil safe, would it not?—I must give the same answer as I have given before.

5580. Do you know of any fires having taken place in Liverpool, from mineral oils of any description?—I believe there has not been a single case.

5581. Do you know of any explosion of lamps having taken place in Liverpool?—I have not heard of any. The chairman of the Watch Committee told me that he had received no notice of any fires having taken place from petroleum or any such oil.

5582. Did he tell you also that he had not heard of any explosions from lamps?—No; I do not think our conversation went so far as that.

5583. Do you find, as to the present trade in mineral oils, that the existing restrictions on the trade are great?—Yes; the General Act in Liverpool has been to some extent superseded by a Local Act, which provides for the oil being stored in warehouses constructed on a peculiar plan. The greatest restriction on the trade is, I think, the high rent that we have to pay in those warehouses; they will only allow them to be of one floor.

5584. Do you think that that plan is absolutely necessary for the storage of mineral oils?—No.

5585. Do you think it would be quite as safe storing them in a lower storey with other goods above them?—Not with other goods above them; we are content to have petroleum stored in a warehouse by itself; but we do not see why we should not have two or more storeys; that is to say, a vault and a storey above it. I think, certainly, that we should have two storeys.

5586. Mr. *Turner.*] Suppose you had two storeys besides a vault, would you have the second storey vaulted?—I would have it in a vault; then the floor above that might be made to comply with the requirements of the Local Act in every way, because petroleum is not an article that can be stowed very high; two low storeys would give you accommodation for two tiers of barrels, whereas now we can only have one.

5587. You would have a vault in which to store the petroleum?—Yes.

5588. And one storey above that?—Yes.

5589. That is all you want?—That is all.

5590. One storey above the ground only?—Just so.

5591. Mr. *Horsfall.*] That would materially reduce the rent of which you complain, would it not?—Yes.

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5592. *Chairman.*] That restriction of which you speak is quite local, is it not?—It is quite local.

5593. Do you think that the insurance companies would object to the storage of petroleum in warehouses of more than one storey?—I am sure they would not.

5594. Is there any means of escape from the warehouses in Liverpool for any vapour that might come out from the barrels?—They are properly ventilated.

5595. How would you ventilate the lowest storey, or the cellar, when you had a vault above?—I cannot say that practically; but I should think it could be very easily done by pipes, either through the upper storey or otherwise.

5596. Or by pipes leading to the outside?—Or by pipes leading to the outside in some way.

5597. Can you name any other restriction?—We are only allowed to land oil in one or two docks; practically speaking, only in one.

5598. Do you think that you could safely land petroleum in all the docks of Liverpool?—I do not think, speaking for the trade, that they would wish it; because the trade is localised there, and we have warehouses in the immediate neighbourhood.

5599. In the local Act of Liverpool, is there any particular test prescribed with regard to the igniting point of petroleum?—No; they rely on the general Act, which prescribes 100 degrees.

5600. Are you aware whether they have altered the firing point of the general Act?—All petroleum and any of its products must be warehoused in those places; they will not take them in elsewhere.

5601. The firing point according to that Act is 100 degrees Fahrenheit, is it not?—Yes.

5602. Do you know how that standard was arrived at?—No; we have never been informed how that standard was arrived at.

5603. Is the igniting point in this country and America the same?—No; it is 10 degrees to 20 degrees higher in some cases in America than it is here.

5604. Do you mean that the legal igniting point is from 10 degrees to 20 degrees in some cases higher in America than in this country?—No; I mean the practical igniting point, according to the mode we have been using for commercial purposes.

5605. The oil that stands at 110 degrees in America will, when tested by the different mode of testing in this country, be perhaps 95 degrees is that what you mean?—Yes.

5606. Will you describe to the Committee the mode of testing the oil in this country?—The mode in use in Liverpool, and, I believe, generally, is to fill a vessel with oil and to put a light underneath, and a thermometer in it, stir it round, and apply a small flame from time to time close above the oil, and when it arrives at a certain point, if it ignites, that is the igniting point.

5607. When the oil ignites?—Yes.

5608. That is the igniting point of the oil, and not the firing point of the vapour; you do not take the first flash?—No, we do not; it varies very much.

5609. Will you now describe the mode of taking the igniting point in America?—A vessel similar to that which we put the oil in, in Liverpool, would be placed in a vessel containing water, and the flame would be placed underneath it, and it would be heated with a small flame very gradually; then, when they think that it is the proper time to apply the light, they do so; they find the igniting point in that way; but from the water being all round the vessel, the heating of the oil is more gradual, and, I believe, that gives a truer igniting point.

5610. But is the water test not used in this country as well as the fire test?—The water test has been used for experiments only, so far as my experience goes; there are plenty of the machines in Liverpool. I have one myself; but I prefer the other way as being shorter, and for all other purposes it is just as good.

5611. Would you think that in any Act of Parliament it would be advisable to mention what mode should be adopted in arriving at the igniting point of petroleum?—That would be very desirable, because it would avoid all disputes and differences of opinion.

5612. And you would have uniformity in the trade?—We should have uniformity in the trade.

5613. Do you know what the igniting point of the oil used on the Continent generally is?—Just the same as it is in England; because it is shipped, in most cases, in cargoes, which have the option of the United Kingdom or the Continent; it depends on the state of the market during the passage where the vessel is ordered to.

5614. When you get oil in this country consigned to you, do you always test it?—We always test it for the merchants.

5615. On arrival?—Yes.

5616. How do you proceed?—As the barrels are landed we sample about 10 per cent. of each brand; those are taken to the broker's office; the broker tests them and sends in his report accordingly; that is the custom although it is not always carried out.

5617. You find no inconvenience in taking those samples out of the barrels, I suppose?—Not the slightest.

5618. Do you think there would be any inconvenience or difficulty experienced by the trade, if one of the Government officials were made to test the oils coming into port?—If he had a proper place in the immediate neighbourhood, I think it would be a great convenience to all parties concerned, because that test would be final and there would be no dispute between the buyer and the seller; it would be like an assay of any metal.

5619. Mr. *Horsfall.*] What class of person should in your opinion hold that office of tester?—Any man with common sense could do it; that could be done very easily.

5620. *Chairman.*] If he were once instructed?—Yes.

5621. Any ordinary custom house officer could do it, I suppose?—Any ordinary custom house officer could do it; it would require a little care at first in order to be quite exact.

5622. Do you know whether there is any Act of Congress in America about the sale of oil?—I hear there is, and I have a document here that I understood purported to be an analysis of that Act of Congress.

5623. Will you mention the title?—It is a letter from the Secretary of the Treasury transmitting the report of S. S. Hays on petroleum, and is dated in February 1866.

5624. Will you read the letter of the Secretary of the Treasury?—"Treasury Department, 26 February 1866. Dear Sir,—I have the honour herewith to present to you a very interesting and able report from S. S. Hays, Chairman of the

Special

Special Committee of the United States Revenue Commission on Petroleum, as a source of national wealth. I have the honour to be very truly yours, H. M'Cullock, Secretary of the Treasury. Honourable Schuyler Colfax, Speaker, House of Representatives."

5625. Is there any allusion made in that report to the fire test of the petroleum in America?—Yes. "The Commission are informed that quantities of inflammable and dangerous oil, of a good appearance, are sold to consumers in different parts of the country. They would call the attention of the public to the importance of legislation, by state and municipal authorities, prohibiting, under penalties, the sale of oil for domestic use which is not at least as good as 110 degrees fire test."

5626. Do you know if that suggestion of the Commissioners has ever been acted on by the House of Representatives; what is that document which you hold in your hand?—It is "Emerson's Internal Revenue Guide," 1867, containing the law of 30th June 1864, as amended on 3rd March 1865, 13th July 1866, and 2nd March 1867.

5627. Do you find any such section there?—Section 29, page 231, is I find as follows: "Be it further enacted, that no person shall mix for sale with naphtha and illuminating oils, or shall knowingly sell, or offer for sale, such mixture, or shall sell, or offer for sale, oil made from petroleum for illuminating purposes, inflammable at a less temperature or igniting point than 110 degrees Fahrenheit; and any person so doing shall be held to be guilty of misdemeanor, and on conviction thereof by indictment or presentment in any court of the United States, having competent jurisdiction, shall be punished by a fine of not less than 100 dollars, nor more than 500 dollars, or by imprisonment for a term of not less than six months, nor more than three years.

5628. Lord *Richard Grosvenor.*] Do you know whether that Act is efficiently carried out or not?—I believe it to be so; clause 29 must have been in operation for a long time, I think, but the whole of that law was amended at different dates.

5629. *Chairman.*] Do you see any reason why, if they are so strict with the sale of these oils in America, we should not be equally strict in this country?—No; I think we should be very strict.

5630. I suppose, instead of damaging the petroleum or mineral oil trade, it would improve it, would it not?—Yes.

5631. Giving a sense of security to the public, if a safer oil were sold?—If a sense of security is wanted.

5632. Have you ever heard that many people will not use those oils on account of the lamp explosions which appear every now and then in the public prints?—That has never come under my notice.

5633. Not in conversation with people?—No.

5634. You have never heard that they were afraid to use those explosive oils?—No.

5635. Are you aware whether they are taking action in this question in any country on the Continent just now?—I have not heard of any.

5636. You have not heard what they are doing in France?—No.

5637. Do you know how the fire at Antwerp was caused?—I was informed that it was caused by a naked lamp being taken into a store where spirit ether was or had been just previously. I have a letter from a house there, in answer to one written by a friend in Liverpool asking the question; this is addressed from Liverpool by Messrs. Richardson, Spencer & Co., large American merchants, to their correspondents at Antwerp, dated the 7th of June.—"Dear Sirs,—We shall be much obliged if you will inform us when next writing, how the fire of petroleum in your city last year originated; please also say what restrictions there are on the trade as to landing and housing it. Our object in making these inquiries is, that a Committee of the House of Commons is now sitting on the question of Fire Prevention, and some members of the petroleum trade will be giving evidence on the subject; so any information will be of service. Is there any public officer appointed to test the firing point?" The reply is dated Antwerp, 11th June 1867.—"Dear Sirs,—It could never be established with any assurance, how the fire of petroleum last year originated. There had been in the cellars a lot of spirits some time before the fire occurred, and a man who entered them with a lamp, must have put the fire to the gas they left. Since petroleum has been first imported to Antwerp, we had three large fires, all caused by spirits, not one by refined petroleum. We have to-day the pleasure to send you separately the printed ordinance of our public authority for landing and housing petroleum. There are no public officers appointed to test the firing point of the article; this business is left to ourselves and the brokers. —Yours, &c., *Godefr. Mayer et fils.*"

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5638. Lord *Richard Grosvenor.*] When spirit is mentioned in that letter, they mean petroleum spirit, I suppose?—I presume so; otherwise they would have said the contrary.

5639. *Chairman.*] Then they do store spirit in the same vault with petroleum?—Yes, in Antwerp, I suppose they do from that.

5640. You have stated that you would approve of no oil under a certain igniting point being sold in this country. Now, suppose there was such an Act of Parliament passed as that, what means would you recommend for discovering, in retail shops and otherwise, when such oils were offered for sale?—An officer properly appointed by the authorities of the place could do it.

5641. Would you make the person selling the oil personally responsible for any damage that might occur?—Yes, I would make him personally responsible, just the same as for keeping dangerous articles of any other kind.

5642. Can you tell the Committee what has been the average igniting point of the oil imported into Liverpool from America, say for the last three or four years?—About three or four years ago we began to get very light oil from America, a portion of it testing under 90 degrees. We made great remonstrances; and I think in the last 18 months or two years there has been little, or any, which came under my notice testing under 90 degrees; it has been nearer 95 degrees, and up to 118 degrees.

5643. We have had it in evidence here that the igniting point of merchantable petroleum in Liverpool is 90 degrees; is that the fact?—We do not consider 90 degrees merchantable.

5644. Have the brokers in Liverpool ever held any meeting to decide what was merchantable oil?—About four or five years ago we agreed that 100 degrees was to be a good merchantable oil;

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oil; that was about the same time the Act was passed.

5645. That 100 degrees you take to be the igniting point of the oil, and not the igniting point of the vapour?—The igniting point of the oil.

5646. Mr. *Turner.*] As a matter of business, suppose oil was sold as merchantable oil, which proved afterwards to be under 100 degrees, would the broker, by the rule of the trade, have the power of refusing it?—It would depend upon the wording of the contract.

5647. Providing the wording of the contract was "merchantable" oil, would the brokers have the power of refusing it, as not being merchantable?—No, I do not think they would; because that rule was made to govern the Petroleum Association of Liverpool; but that association did not work harmoniously, and it was broken up some time ago.

5648. *Chairman.*] You are not bound, in fact, by any rule?—Yes; we consider that 95 degrees would be a good merchantable oil, but not under.

5649. That is, five degrees below the igniting point of the Act of Parliament?—Yes; we say that is below our test. We could test it in other ways, and perhaps make it 100 degrees if we tested it on the American plan. We are not bound to test it in any particular way; we go by the custom of the trade.

5650. Mr. *Horsfall.*] You have stated that the Petroleum Association was broken up, but I apprehend that you come here at the request of the merchants engaged in the petroleum and mineral oil trade of Liverpool, to state your sentiments?—I do.

5651. *Chairman.*] In the evidence given before this Committee, with regard to petroleum, it has been stated to us that in lamps in which mineral oils are burnt the brass often reaches a temperature of 110 degrees?—I have seen that in the evidence.

5652. Do you think it would be safe to put into such lamps oils with an igniting point of 95 degrees?—I consider 95 degrees and even lower, perfectly safe; but that is a scientific question which I am not able to answer, with regard to the brasswork of lamps getting up to 110 degrees, and I do not know whether it is correct or not. All I can say is, that oil which tested very much under 90 degrees has been burnt with perfect safety. I do not think that under the same conditions all oils will ignite at the same point of 90 degrees. It might not ignite in the lamp as easily as oil of 95 degrees, if well manufactured.

5653. Even tested in the same way?—Even tested in the same way.

5654. How do you account for that?—I cannot account for it.

5655. What is the cause of the explosion; is not it the spirit?—Yes, I suppose so.

5656. Suppose you had two oils, shale oil and petroleum oil, with an igniting point of 95 degrees, would the spirit not light from the one oil as easily as from the other?—I have seen the flashing point (which I believe to be the inflammable vapour), when the test has been within a degree or two the same, vary many degrees.

5657. But you would not be satisfied in taking the test with one experiment, would you?—On a lot of 500 barrels I should take an average of the lot, and usually I have obtained a true test.

5658. Lord *Richard Grosvenor.*] But it makes some difference in testing the oil, whether you stir it or not, I suppose?—I have been accustomed to test the oil continually, and I have got into the habit of doing it the same way. I stirred it round with the same rapidity, and held the thermometer in the same position, and I apply the flame at about the same heat, with the same sized fire underneath. I consider my own test quite sufficient for any purposes of my own.

5659. That is an individual test?—That is an individual test; but you can alter the test considerably by making the flame underneath the vessel containing the oil smaller or larger.

5660. But given your flame and given your thermometer, some one else might test the oil and find the igniting point different?—Yes; some people might make several degrees of difference.

5661. *Chairman.*] A good deal depends on the surface of the oil from which the vapour rises?—Yes.

5662. If you test the oil in a narrow tube, you obtain a lower igniting point than if you test it in a wide vessel, do you not?—I fancy so; but I never tested it in a narrow tube. My vessel is about the size of the palm of the hand.

5663. In a narrow tube the vapour would be more concentrated at the same temperature, and the flash would take place sooner than if it were spread over a wider surface?—Yes.

5664. You think that there should be some recognised mode of testing the igniting point?—Yes.

5665. So that there should be uniformity in the igniting point throughout the country?—I think so.

5666. Lord *Richard Grosvenor.*] You would then accept the Government test as a final test, I suppose?—Yes; I would accept it just the same as the test of saltpetre or nitrate of soda.

5667. Mr. *Agar-Ellis.*] You say that you may have two different oils tested of the same igniting point, and yet one will ignite quicker than the other?—The flashing point.

5668. You always test it in the same way?—Yes.

5669. What I want to understand is this: suppose you have two different sorts of oil, and you always test them in the same way, and the igniting point of both is 95 degrees, do you mean to say that there may be more danger of explosion from the one than from the other?—The flashing point in two oils that tested 95 degrees might be different, though the igniting point of the oil might be the same; it might be, but I do not say that it would.

5670. Have you seen cases where it was so?—Yes, but it is not so necessarily.

5671. I mean, have you seen cases where it was so with precisely the same test?—Yes; when the igniting point of the oil was the same, I have seen the flashing point quite different, and I think you have had it in evidence that it is so.

5672. Lord *Richard Grosvenor.*] Is the igniting point, as tested in America, marked on the invoices?—We have the inspector's report; on the oil being prepared for shipment there are inspectors of the Petroleum Association in the shipping ports, and those inspectors simply open and test it, and hand over what are called the inspectors' reports, signed by them.

5673. You receive that report with the invoice, I suppose?—Yes, with the invoice.

5674. Is that sufficient for you to act on, or do you prefer to test it again?—We always prefer

prefer to test it again to see how it tallies, in the same way as you would sample any other goods.

5675. Do you find a great variation or not in the result?—The variation occurs in the mode of testing, because the American test differs from ours; by using their test we can obtain the same result.

5676. When you test it your way do you find the result correspond with the American test?—We find it within 10 to 15 degrees of the American test, and that has been the same case all along.

5677. Have you had any English or Welsh oils pass through your hands—?Yes, and large quantities of Scotch oils also.

5678. The igniting point of those oils is much higher than the American oils, I believe?—I have known it to be higher, but, as a rule, I do not test it.

5679. Why?—We have not been in the habit of testing that so much.

5680. That is because the standard is much higher than the American oils, I suppose?—No; we are not asked for a test at the brokers', and I do not test it unless I am told to do so.

5681. Mr. *Turner.*] Evidence has been given before this Committee of the "re-shipment to Liverpool from London of hundreds of thousands of barrels of oil, in consequence of inferiority of quality"; is that correct?—No, it is quite incorrect; no such thing was ever done.

5682. And a further statement was made, that "oil of an inferior quality is sent to Liverpool"; is that correct?—No, it is not correct.

5683. The fire insurance is done precisely on the same terms as on other goods?—It is covered by the floating policies that cover other goods, and the marine risk is done on low terms.

5684. Can petroleum be landed in any dock in Liverpool?—No, there are only two docks where petroleum is landed: one at the south end, but very little goes there, because the dock entrance is no narrow; and the other is the carriers' dock, at the northern end, where all the trade is done.

5685. You mean where the petroleum is sent?—Yes; it is not entirely for petroleum, but that is the only dock where petroleum can be landed.

5686. When it is removed from the ship, if it is not sent into the country from the quay, it is stored in those warehouses, I suppose?—Yes.

5687. Mr. *Horsfall.*] What is the usual system of shipment of petroleum from America to this country; is it sent to one particular port, or sent to a port to await orders?—The cargoes of oil often come direct to ports like London or Liverpool; but the bulk of the trade is done by vessels that come with the option of the United Kingdom or a port on the Continent.

5688. That is often the case, is it?—Yes, it is more often the case now than not.

5689. In that case, it must always be a mere chance what description of oil goes to Liverpool and what description goes to London?—Yes.

5690. You are of opinion that there is no truth in the statement that inferior oil is sent to Liverpool?—There is no truth in it.

5691. Are you aware of any samples having been sent up to London for the sale of any quantity of petroleum, and those samples having been returned as unmerchantable?—I am not aware of that.

5692. The Committee have had evidence from the chairman of the Watch Committee in Liverpool, that he has heard of seven explosions of petroleum, from the petroleum being drawn off from a tub by ignorant people, the oil taking fire, and doing great damage; but you say you never heard of that?—I never heard of that.

5693. Do explosions occur from the oil igniting, or from the vapour igniting?—The oil in itself cannot throw off vapour unless it is heated to a certain point. There can be no danger of an explosion unless the oil is heated to a certain point, and a light is applied to it.

5694. Suppose an oil is found to begin to throw off vapour at 80 degrees, and suppose you have a quantity of that oil stored in a house, and the house has been closely shut up without ventilation, as many shops are shut up for several hours, and you come in after several hours with a lighted candle, and this oil has been giving off vapour during all that time; is there not almost a certainty of an explosion?—Supposing the oil would give off vapour, of course there would be an explosion, just as an explosion of gas would take place.

5695. Do you think it would be safer to fix the igniting point of the vapour, or the igniting point of the oil, as the testing point?—I think the igniting point of the oil is quite sufficient.

5696. Even though the vapour explodes in such a case as I have mentioned?—The vapour, unless it is improperly heated, cannot get out of the barrels.

5697. The oil is sometimes kept in oil tubs, is it not?—It is sometimes kept in oil tubs.

5698. Suppose the barrel has been broken in the warehouse, and oil has been spilt, which has a very low igniting point?—Of course there is danger of explosion, with an inflammable vapour that will ignite at 80 degrees if a light is applied to it.

5699. The vapour may explode, and still the oil may not ignite?—Certainly.

5700. But is it not advisable that we should have, for the safety of the public, the igniting point of the vapour, rather than the igniting point of the oil, as the testing point?—I think it is quite unneesssary to have the igniting point of the vapour.

5701. Even though we find it exploding and blowing up a house?—I consider so decidedly, because that inflammable vapour can only be produced by improper treatment.

5702. What do you mean by improper treatment?—Being left in an open vessel, and exposed to a certain amount of heat.

5703. Mr. *Turner.*] With regard to Liverpool, are you aware of any explosion at Liverpool from that cause?—I am not aware of there having been one explosion at Liverpool from that cause; and supposing such an explosion took place, no doubt it was caused by oil that had been adulterated by mixing spirit with it. It is well known that accidents have taken place from mineral oils of different kinds being mixed with spirit.

5704. *Chairman.*] It is quite the same to the views of this Committee, whether the oil was pure or adulterated, but the fact is, that such explosions have taken place?—No doubt; everybody must admit that.

5705. That being the fact, is it not the duty of the Legislature to protect the public from such accidents?—There was a case of a fire in Liverpool in which a cask of petroleum was on fire, and the staves were burnt through to within

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about one-eighth of an inch, and the oil did not take fire at all, and did not explode. I believe the remains of the cask can be seen now in the dealer's shop; the staves outside were nearly charred through; had there been a slight vent to that, no doubt there would have been an explosion.

5706. Lord *Richard Grosvenor.*] That happened to be a good barrel, I suppose?—The barrels are all good now.

5707. *Chairman.*] We have had it in evidence from Dr. Attfield, that he had bought oil in a shop the igniting point of which was 68 degrees; now, if a light had been brought within two feet of that, would it not have exploded?—I do not think it would explode within two feet.

5708. Mr. *Turner.*] Is not the smell from crude petroleum very offensive?—No, not from the American crude. The trouble that there was about the smell first arose from the large quantities of Canadian crude petroleum that were imported, which has now entirely ceased; we have not had any of it for several years, and the outcry about the smell has entirely disappeared.

5709. *Chairman.*] Is there anything that you wish to add to your evidence?—No.

Mr. Frederick Lambe, called in; and Examined.

Mr. *F. Lambe.*

5710. You are a merchant in London?—I am.

5711. What business do you carry on?—I deal very largely in hydrocarbons.

5712. Have you had anything to do with their manufacture?—Yes, largely, for the last 10 years.

5713. Are you a manufacturer?—I have been a director of two large companies, and I have also works of my own in Wales, and I have been a large importer of American petroleum.

5714. Can you give us any idea of the quantity of petroleum imported into London?—I can give you the returns made up from the Board of Trade from the year 1861 to 1866. I may say that the value rises from 23,000 *l.* in 1861 to 696,000 *l.* in 1866. The quantity will very largely increase this year, but not the value; probably you will have 50 per cent. more of the American oil sent into the United Kingdom this year, the British trade being almost destroyed by the low price of American oil, and the favour with which the British public take to the American in preference to the British oils.

5715. Now, being a manufacturer, a merchant, and an importer of petroleum, I suppose you are well qualified to give the Committee evidence with regard to the difference between the home-made oils and the petroleum oils imported from America?—I believe so.

5716. What is the difference between the ordinary shale oil in this country, or what is called paraffin oil in this country, and petroleum oil?—Paraffin or coal oils have an immense range amongst themselves; it mainly depends on what they are made from; some of the low shales give a totally different character of oil, coming nearer the benzoles and coal naphthas, and they then go on to the more distinctly paraffin oils or the heavier burning oils. There is almost as much variety in the safety of these oils as in that of the imported oils; one of the safest of these imported oils is the Rangoon oil; that is safer than almost any British oil made.

5717. Is that the same as the Burmah oil?—Yes; it is Burmese oil, though shipped at Rangoon.

5718. What is the character of the Wallachian oils?—They are very safe and very heavy, containing very little volatile matter.

5719. What is it that makes oils safer, then, or the contrary?—Their greater or less tendency to give off volatile spirit easily inflammable would be the test.

5720. But when it comes to be an illuminating oil, can you bring all the oils to the same degree of safety by taking off that light spirit by distillation?—Yes, you can; but if you brought the American oil to what is recommended by some people as the point of safety, you would get rid of the whole of it; you make the oil safer and safer until you have "nothing" left, and then you have perfect safety of course.

5721. Do you think that petroleum oil is perfectly safe?—Perfectly safe as a burning oil; our sperm oil, and colza oils are all more or less dangerous; it is only a question of temperature.

5722. Taking petroleum first, what igniting point would you consider a safe point for the public and a profitable point for the manufacturer of petroleum?—I think the present point of 100 degrees Fahrenheit, provided by the Legislature, is a perfectly safe one for the public.

5723. What do you consider that 100 degrees Fahrenheit to represent?—I consider the fair construction of the Act is this, when it gives off a fairly perceptible ignitible vapour.

5724. When you have a distinct flash?—Yes, a distinct flash; but even before that it gives off such fine spits that you can hear them before you see them, except you are in a dark room; it begins gradually, then it goes on to catch fire on the surface, and either to go out or to ignite permanently; but with regard to *explosion*, there is no such thing.

5725. For the safety of the public, do you think that we should look more to the igniting point of the vapour than to the igniting point of the oil?—I think you ought to settle how the point should be taken, and what it should be.

5726. You think that with regard to the safety of the public, we ought to look more to the igniting point of the vapour than to the igniting point of the oil?—No doubt.

5727. Mr. *Turner.*] Do you consider that the public will be safe if the oil does not give off vapour which takes fire under 100 degrees?—Quite so; my ground for saying that is, that under no ordinary conditions in this country can the oil be subjected to a temperature of 100 degrees Fahrenheit.

5728. *Chairman.*] We have had it in evidence that the brass of the lamps in which mineral oils are burnt in this country often reaches 110 degrees Fahrenheit?—Possibly, but not the oil; the inside of the nozzle may.

5729. If you have an oil which gives off vapour at 100 degrees, the natural effect would be for it to give off a considerable vapour when it came in contact with the brass, would it not?—That would not take place; the vessel containing the oil

oil is by no chance ever full; the wick passes through the centre of the brass; the wick does not burn, and even the oil which passes up by capillary attraction is turned into vapour by the heat of the nozzle; there is scarcely any combustion going on in the wick.

5730. You say that the oil passes by capillary attraction up the wick?—Yes, and by the suction caused by the draught.

5731. Now, in passing up there it comes in contact with this heated brass, does it not?—I consider that it is actually turned into vapour as it passes up, and when it comes into flame it is actual gas that has been burnt.

5732. Now are there not in some of those lamps small holes in the brass independently of the slit through which the wick passes?—There are always holes to admit air, otherwise you would have no combustion; if you did not supply a tremendous draught of oxygen, the lamp would go out.

5733. But there is no communication from the outside, I suppose?—There is a little hole through the brass to prevent a vacuum.

5734. Now if vapour is produced in the inside of the lamp, would it not rise through that small hole?—I should say that it certainly does not. I have burnt thousands of lamps and never saw such a thing. I have experimented upon them with every kind of oil. I have burnt the most volatile spirit that would inflame at this present temperature, and I have found it safe.

5735. But if the air goes into the hole, would not the vapour come out?—The suction is inwards.

5736. But you must have a draught somehow?—Yes; but you want no more than that, otherwise you would have inflammable vapour through the vent-hole of a brandy cask.

5737. You consider it practically impossible to have an explosion through that hole?—Practically impossible, but absolutely impossible I cannot say.

5738. Do you think it necessary to have a proper legal test for getting at the igniting point of the oil?—That has been one of the most troublesome points in the trade; it being an entirely new trade, the difference between the parties is with regard to this igniting point, and it has been just as much the point of dispute among the scientific chemists themselves.

5739. I think you heard the evidence of Mr. Laird given just now?—Yes.

5740. You heard him say that he considered the igniting point of the oil itself was quite sufficient for the purposes of the trade and the safety of the public?—I think he did.

5741. But you consider it necessary to adopt the igniting point of the vapour?—Yes; if you look at our Petroleum Act you will see that, "giving off inflammable vapour" are the very words used; it does not mention the igniting point of the oil.

5742. Lord *Richard Grosvenor.*] Which test is generally accepted in the trade?—That has always been a point of dispute; you send for one chemist, and he says that is 98 degrees, another says 95 degrees, and a third agrees with neither. That arises from their different modes of testing to some extent, and in another way to their being generally retained to support a preconceived theory. If I wanted to prove that my oil was merchantable I should go to one man, and if I wanted to prove that it was unmerchantable I should go to another.

5743. At the same time knowing your own test very well?—Yes, knowing it perfectly.

5744. *Chairman.*] You say that the trade is in a most unsatisfactory state with regard to the igniting point?—We want it settled; it has been taken as a general rule that coal and shales do not come under the Act of Parliament at all, but it was once decided by a Manchester magistrate that they did, and I think that should be settled.

5745. If there should be any change in the law you are of opinion that the new Act should include all mineral oils?—Yes; the whole of those oils that are used for burning purposes.

5746. What would you consider as the best mode of taking the igniting point of the oils?—It is very simple indeed. In America they have their own Act, which provides for 110 degrees Fahrenheit. In Antwerp, which regulates the whole of Germany, it is 90 degrees. In France I believe they have no igniting point fixed at all, and yet when the American oil comes over here it is generally 10 degrees less than their certificate (*producing an American certificate*). This certificate gives 115 degrees for that parcel of oil which I imported.

5747. Mr. *Lusk.*] What was it called when it came here?—One hundred and five degrees.

5748. *Chairman.*] Ten degrees difference?—Yes; that is accounted for in the most simple manner (*producing an apparatus*). Suppose that outer circular hollow to contain water; heat it very gradually by a spirit lamp, and you can see when the inflammable vapour comes off if you move your match about an inch off the surface, slowly across, that which I take to be the proper mode of doing it; the thermometer is suspended in it, and then you move the match slowly across it, a clear inch above, and when that gives decided spurts of fire, I say it is giving off inflammable vapour.

5749. You do not insert the lighted match into the tube?—No, but the Americans do that; they take a lighted match and steadily put the light down into the tube, and if it puts the match out they say that it is not inflammable; that makes the whole of the difference between the two tests; it puts the match out at about 10 degrees above our test. Their statement is correct enough if you allow for the difference of operation; they take a permanent ignition test, and virtually their test is almost identical with ours, the process only being different.

5750. But in inserting the lighted match at the surface of the oil, the vapour through which the light went must have exploded?—That only takes place when permanent ignition takes place, for it is not a permanently inflammable vapour.

5751. But it is inflammable vapour, is it not?—Yes, but the surface of the oil would not take fire until you got up to the American point. Some of the chemists here test by a tube over a lamp, but decomposition then sets in at once, and they make their test 10 degrees or 15 degrees below mine; where this tube test would give 85 degrees, I should give 100 degrees, and the American test would give 110 degrees; that is why I wish to point out to the Committee the necessity of fixing the manner in which the test should be taken, because otherwise in the same oil you might have a variation of 25 degrees.

5752. Would you recommend us to adopt the tube

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tube test?—No; that is what I call an impossible condition for oil to be in.

5753. But supposing you have the vessel filled with oil and the heat is applied, whether water or gas flame, you say that you then apply a lighted match about an inch from the surface?—Yes, about an inch from the surface.

5754. And some chemists apply a lighted match in the inside of the tube?—Yes.

5755. Will it not ignite sooner in the inside than on the outside?—Yes, of course, you have concentrated vapour there; it is driven up by the action of the gas fire at the bottom; it comes up into the tube and begins to condense directly, and away it goes.

5756. Have you ever made any experiments with regard to the difference between the igniting point of the vapour and the igniting point of the oil in the case of similar oils?—It would generally begin to spit; that is, to give off inflammable vapour, about 10 degrees to 14 degrees above the point at which the oil would permanently ignite.

5757. We have had it in evidence that the difference is only two degrees in some oils?—It would vary from the different characters of the oil; some containing a greater quantity of volatile spirit would part with it more quickly than others containing a smaller portion.

5758. I believe there is such an association in London as the Petroleum Association?—Yes; I am one of the committee.

5759. In fact, you represent their views here, do you not?—No; there is a measure of difference of opinion among them; the fact is, the great importers (I am only a small one) have not positively any idea about it.

5760. Are you aware whether the Petroleum Association ever came to any conclusion with regard to the igniting point of mineral oils in London, or what do you consider yourself should be the igniting point of the mineral oils in London?—That must be decided by an Act of Parliament; I have had people coming to me to arbitrate on oils when they were admitted to be below 100 degrees Fahrenheit, but nothing could override the Act of Parliament, and it would be absurd to arbitrate in such a case; it is now an accepted thing in the trade that oils below 100 degrees Fahrenheit are unmerchantable, and they are refused invariably.

5761. But chemists differ very much as to what is merchantable and what is unmerchantable?—Yes; but I am supposing that both the buyer and the seller are agreed, and that both admit that it is not a merchantable oil.

5762. Are you aware whether there is any oil sold with the inflammable point under 100 degrees?—Are you speaking of the inflammable vapour?

5763. I will take your own test?—Yes; there has been a good deal of such oil sold.

5764. You are of opinion that oil has been sold with an igniting point under 100 degrees in London, and throughout the kingdom?—There is no doubt of it; and a great deal of British manufactured oil also; it mainly depends upon how the market is going; if the market is against the buyer, and it is inflammable oil, it is very carefully rejected, but if the market is in favour of the buyer, you hear nothing about it.

5765. You think it would be to the interest of the public that some steps should be taken to put a stop to the sale of oils at a low igniting point?—I do; I think they are highly dangerous.

5766. I suppose the trade would not be crippled by it?—The only thing is that you must regulate the retail trade; every retailer would then get his guarantee from the wholesale dealer, and would hold him responsible if he got into a mess.

5767. What regulations would you suggest to the retail dealers?—I would license the retail dealers; I would appoint either an excise officer or a police officer, or a properly-instructed person, and you could of course then see that the Act was duly carried out, and that the people did not sell those dangerous oils in the shops.

5768. Do you think that that would improve the mineral oil trade?—It would reduce it to complete safety.

5769. Have you ever heard of people complaining of explosions and not using the oil in consequence?—I never heard that; and I have heard of exceedingly few accidents.

5770. But you have heard of accidents, I suppose?—I have seen, "Accident from a Paraffin Lamp," in the papers, and some things of that kind have been very much advertised, but I could never trace a real case of explosion. In the same way, I find places set on fire; but I never could trace a complete case of explosion; that is to say of a lamp being blown to pieces.

5771. But you believe it quite possible, do you not?—I do not believe it would occur with oil of 100 degrees.

5772. But you think with oil under 100 degrees it might happen?—I doubt whether if I tried myself to do it I could do it.

5773. I suppose you would believe it if a professional man showed you the lamp which was broken when the accident occurred?—Was not the lamp knocked down?

5774. No; an explosion took place?—People have different ideas of explosions; you never know what a man means. Petroleum will not explode though it will burn.

5775. The vapour from all mineral oils will explode, will it not?—Only when you get the contents in fixed proportions, which is almost practically impossible. The only way would be by getting the oil in an open vessel in a cellar, taking care that there was no ventilation; it is possible that you might so cause a real explosion, but in no case that I know of do I think you could do it in any ordinary room.

5776. Lord *Richard Grosvenor.*] Just as when you have an explosion of common coal gas, it must be mixed with a certain quantity of atmospheric air?—Yes.

5777. *Chairman.*] Pure vapour will not explode; you must have a mixture?—Just so.

5778. Hence the danger to property from inferior oil being placed in a room and the vapour being mixed with the air?—When there is no ventilation.

5779. Have you ever seen great carelessness in handling and storing those oils in retail shops?—I should say so, because you find the oil-shop keepers actually selling the inflammable portion of this oil, which has been divided, and which is sold as mineral turpentine, as a substitute for common turpentine. From the enormously high price of that oil during the American war, this mineral turpentine was brought largely into consumption, and is sold without restriction; the whole of it would evaporate at an ordinary temperature.

5780. So would ordinary turpentine, would it not?—So would ordinary turpentine, naphtha, benzole, alcohol, and also a dozen other things, on which

which there is no restriction. The most remarkable thing is, that you have not an immense number of fires.

5781. But the difference is, that the public know that those are dangerous substances; they are sold under specific names, whereas the illuminating oils are sold as burning oils, and supposed not to be dangerous, while, in fact, a great deal of them are dangerous; is it not so?—Yes; that is where I say legislation is necessary to regulate the retail trade; to prevent a man selling dangerous oils as being safe oils. Of course the public have even now a certain amount of notice, but as a rule all those retail people get excessively careless about the articles they deal in.

5782. I understand you to say that you would limit the igniting point of the illuminating oils; I mean shale oils, petroleum, and everything else, to 100 degrees Fahrenheit, according to the mode which you suggest?—I would.

5783. That is the vapour test?—The vapour test.

5784. Mr. *Agar-Ellis.*] It would be as well, would it not, to specify in any future Act of Parliament the method of testing?—I think if you do not do that you do nothing; you leave the thing open to perpetual dispute, seeing that scientific men are as much disagreed upon the subject as the mercantile men.

5785. You would suggest the plan that you have shown to the Committee as the proper plan of testing?—Yes; that is a fair test.

5786. Lord *Richard Grosvenor.*] The tendency of retail dealers is rather to disguise those dangerous oils by giving them fancy names, such as "crystal oil," and so on?—Yes, and besides that, without infringing the Act of Parliament, a man can get in 30 gallons of volatile spirit, which he can mix with the burning oils, and so long as he does not get up to a certain point he incurs no penalty, but the danger might be as real as if he had 1,000 gallons.

5787. The standard of the British oils is higher than that of petroleum, as a general rule, is it not?—Some few manufacturers warrant their oils, but the great bulk of them do not; they vary from time to time, and a great deal comes on the market which would give off a permanent vapour below 100 degrees; but they have not been a subject of question in the same way as the American oils have. There was a great prejudice against the latter in the beginning, which has been overcome by dint of cheapness and good quality; and then of course there was a very strong interest opposed to their introduction, who I think may be said to have done all they could to exaggerate the danger; but now the American oil is finding its way into houses where it never was seen.

5788. American petroleum can always be sold cheaper in this country than the oil can be produced here, I suppose?—I think not.

5789. You think there is still a good trade to be done in British mineral oils?—Yes, I think so; the present condition is exceptional; at the present prices the American oil-producer is suffering a heavy loss; suppose you take it at the pit's mouth for nothing, you could not bring it to Great Britain within a great deal of the price it fetches.

5790. You are aware, I suppose, that there is a heavy duty in America on oils?—Only for home consumption.

5791. Is there none for export?—None whatever; there was during the war for a short time. I know the circumstances well, from some of my letters having been read to the Committee in Congress on that subject.

5792. *Chairman.*] Is there a duty on crude petroleum as well as refined petroleum in America?—If it went into home consumption there would be, but practically it does not go into home consumption in the form of crude petroleum; the refiner actually pays the excise.

5793. Lord *Richard Grosvenor.*] From the fact of there being a duty for home consumption and none for export, the tendency is that the best oil is sent to this country, and the dangerous and inferior oils are exported, I suppose?—No; it is taken independently of what they make for home consumption; they are just as careful; their duty is only equal to about 2 *d.* per gallon (6 cents). When the prices are very low, inferior oils will not sell; the difference between the best and the worst oil is so trifling that the public will not put up with it; the British oil is unsaleable now, because the price of the American oil is so low.

5794. Is it not the fact that British oils are considered to be worse than the American oils, not from their being more dangerous, or so dangerous, but from their having a disagreeable smell?—That is one reason; and another reason is, that they do not burn so freely; but we are getting nearer to them, and oils that would have sold four or five years ago would not be tolerated now. You could smell a shop across Oxford-street at first, but now we are coming very near to equalling the Americans, and I dare say in a year or two we shall make as good oil as they do.

5795. There is heavier matter in British oils, is there not?—As a rule they are greater in specific gravity; that is a fallacious test of the inflammability, however; it is only an indication.

5796. You hope to see the trade in British oils increase again?—Yes; my interest in the British trade is permanent, and my interest in the American trade is just occasional.

5797. Mr. *Lusk.*] How long has your experience been in those oils?—Certainly, before the American oil was known; for the last 12 years.

5798. Are you of your own practical knowledge aware of many explosions taking place?—I certainly am not. I have been thinking it over, and I never have found an authentic instance of explosion, and within my own experience of several manufactories, I say positively that it has never happened.

5799. You say that you have been engaged in this business for 12 years?—Yes, about that.

5800. And you do not remember anything like an explosion taking place?—I know one case of a man dealing in greases, who set fire to a large open tank of volatile oil, which was known to be volatile oil, and instead of having an explosion, his men put it out; that was in Lambeth.

5801. Mr. *Laird.*] You have never, in fact, heard of anything like an explosion?—Never.

5802. Mr. *Lusk.*] Then we should be legislating against a myth if we were legislating against explosions?—If all the oil was in the hands of skilled persons; but your danger is with servants and unskilled persons.

5803. But so far as your experience goes there have been no explosions from these oils?—I draw this distinction: I say, legislate against keeping these oils in retail shops below 100 degrees; there

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there are circumstances under which such oils might be highly dangerous, but above that point the danger is a mere myth.

5804. Have you any fault to find with the present law fixing the test at 100 degrees?—None; but I find great fault with the operation of it.

5805. But supposing that the mode of testing was properly defined, have you any fault to find with the law?—I think it is ample; it is a fair and proper law. It was Lord Stanley of Alderley who had the charge of that Act. I waited on him with a deputation from the trade on the subject, but we know a great deal more now than we did then, and I was only astonished that we obtained such a good Act, considering how little was known of the trade at that time.

5806. You think that 100 degrees is a fair figure?—Yes; I think the public are amply protected by 100 degrees; only defining the mode of testing. If you take the American mode you get into danger, and if you take the tube test you take an impossible and unnecessary precaution; you destroy immense quantities, and raise the price of the oil.

5807. All you want is a proper definition of the testing?—Yes.

5808. One that everyone can understand?—Yes, one that everyone can understand; and then the appointment of a proper officer to see that it is applied.

5809. Do you think that it would be desirable to appoint an inspector to look after the oil?—I should license the retailers, and put the inspection of those oils in the hands of the police or the excise.

5810. But what is the use of licensing them?—To prevent possible danger; just as you put the sale of pepper under the supervision of the Excise under the Adulteration Act. If a man comes to buy burning oil, he has a right to know that he is not getting explosive vapour.

5811. But do you think it is really necessary to have fresh legislation?—It was very strongly and fairly put by the Chairman, that when a man goes to buy a burning oil he ought not to be served with a dangerous oil disguised by a false name.

5812. Would it not be better to inspect the manufacturer's premises?—What is the good, as the danger is in the retail shops?

5813. Would it be an annoyance to the manufacturer?—He would not care twopence about it; because, unless you stop the manufacture, you cannot prevent his having oils in every possible condition. I have been in every works in Scotland and Great Britain, and I have never heard of an accident, practically speaking, though you hear of the stills bursting.

5814. Lord *Richard Grosvenor.*] That is the fault of the iron?—Yes, it cracks across; there is a flare up, it goes out, and there is an end of it, and you may call that an explosion if you like. But the retailer would at once protect himself, for he would go to the wholesale dealer, and would say, "I will take no oil unless you guarantee me."

5815. Mr. *Lusk.*] But if there is no evil existing now, according to your practical knowledge, what is the use of making a fresh law on the subject?—There is the possibility of danger, and at the present moment there is a great temptation to mixing highly inflammable oils for the purpose of adulteration; and I believe it is done to some extent. I should like to state, with regard to keeping oils in large quantities, that it is exceedingly easy to provide for its safety by either a dwarf wall surrounding the premises, or an open ditch; you have only to provide against its spreading; if you can retain the oil within a given space, it will burn out more easily than the same quantity of tallow or tar.

5816. *Chairman.*] In those warehouses would you have more than one tier or storey?—I should not care how many you had, provided you had sufficient ventilation, that is to say, to prevent the vapour getting cramped up in small spaces.

5817. Mr. *Laird.*] That could be very easily done by ventilating shafts, could it not?—Yes.

5818. Lord *Richard Grosvenor.*] You would prohibit naked lights, I suppose?—I should not allow it, but I should have no objection to do it myself.

5819. Mr. *Lusk.*] What are the component parts of petroleum, chemically considered?—Carbon and hydrogen; they vary so much in their relative proportions that it is simply ridiculous talking about them. There is carbon and hydrogen in the relative proportions of 24 degrees and 13 degrees (*producing a sample of paraffin*), and if you have a lot of gas it is the same thing; in this sample you have carbon and hydrogen, and possibly a little stearine.

5820. What are the proportions when it is dangerous?—That is perfectly empirical; this piece is perfectly safe; you may carry it about and make a candle of it; but if you had the same measure of it in the form of the stuff it would blow us all up probably.

5821. *Chairman.*] Is there anything else that you wish to state to the Committee?—The only other point is with regard to the large fires that have occurred both at New York and at Antwerp. I never could hear that there was any explosion; they simply burnt out. This petroleum spirit burns with great evaporation and dense smoke; it cannot get at the oxygen of the atmosphere enough for perfect combustion, and so an explosion is prevented.

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5822. *Chairman.*] You are from Flintshire, I believe?—I am.

5823. You are connected with some oil works, are you not?—I am Manager of the Flintshire Oil and Cannel Company.

5824. Have you more than one work in Flintshire?—Yes, we have two; we have one at Leeswood, which is for crude oil only, and the other is a crude oil works and refinery at Saltney.

5825. From what do you make your oils in Flintshire?—From the cannel coal and the shale of the district.

5826. What is the usual igniting point of your oils?—We generally make our oils 126 degrees.

5827. Is that the igniting point of the vapour or the oil?—The vapour.

5828. That is equal to what in the oil?—It depends upon how it is tested, but the oil will ignite soon after.

5829. By what mode do you get at that igniting

igniting point?—By heating the oil very slowly in a small open vessel; a flame will do it as well as hot water. I generally use a very small gas flame very slowly, touching the oil with every degree of the thermometer.

5830. This 126 degrees represents the first flash, I suppose?—Yes.

5831. Do you stir it?—Yes; we stir it with a thermometer.

5832. That makes a difference, does it not?—Yes; it makes the heat more uniform.

5833. If you heat the oil rapidly, instead of slowly, does that make any difference?—Yes, it does make very much difference.

5834. And you would get a lower igniting point in that case?—We would get apparently a lower igniting point.

5835. Do you think that there is any particular risk in storing mineral oils generally, including petroleum?—It depends on the igniting point of the oil.

5836. What would you consider the lowest igniting point in this country at which there would be no special risk?—I should say oil that does not give off vapour at any temperature of the hottest summer weather.

5837. Anything not above 80 degrees?—Yes; that is for storing only.

5838. Then, with regard to the oil used for illuminating purposes in this country, what is the lowest igniting point of the vapour that you would recommend?—I should say not lower than 110 degrees Fahrenheit.

5839. Do you mean 110 degrees Fahrenheit arrived at according to the method which you have described?—Yes.

5840. Do you know the legal igniting point adopted in America?—No; but I believe it is 110 degrees.

5841. I believe you have heard the evidence given by Mr. Lambe?—Yes.

5842. And what he stated with regard to the difference in the mode of arriving at the igniting point in America and in this country?—Yes.

5843. He stated that the difference in the two modes makes a difference of 10 degrees in the igniting point of the two oils; do you concur in that?—Yes, I quite believe that.

5844. But you would not have it less than 110 degrees according to your mode of testing it?—Exactly.

5845. Which would be equal to 120 degrees in America, according to Mr. Lambe's plan?—I suppose so; but I should like to see it tested before I gave that opinion.

5846. Can you tell us the usual igniting point of the oil manufactured in this country?—I believe it is about 120 degrees, so far as I have examined the oils of Flintshire and Scotland

5847. Can you say what is the usual igniting point of the petroleum oil imported from America?—It varies very much; I never saw any over 100 degrees, and I have seen them down to 85 degrees.

5848. Do you find them as low as that?—Yes; I obtained this sample (*producing the same*) on Saturday at Liverpool, and that was 85 degrees.

5849. Did you obtain that from a retailer's shop?—Yes.

5850. Is that oil imported into Liverpool?—I suppose so; I asked for petroleum oil, and got it.

5851. Have you ever heard of any explosion from those oils of low igniting point?—Yes; but I have not examined any cases of the kind.

5852. Have you got any particular samples of oils of different igniting points?—I have some samples of petroleum.

5853. And also of your own Flintshire oils?—Yes.

5854. Will you show the Committee an oil with a high igniting point and an oil with a low igniting point?—Here are some samples (*producing three samples*). One is made from coal and shale in the Flintshire district, and one is petroleum purchased at one of the shops in Liverpool, that has an igniting point of 88 degrees; and I have another one with an igniting point of 85 degrees.

5855. How is it that you are not able to improve the colour of your oil, and make it equal to the petroleum?—It is a question of refining; we can do it, but it would cost us more money, and we should get less of it.

5856. But is it not the fact that the public are better pleased with petroleum, both as to its colour and its odour?—Yes, as a rule.

5857. Petroleum is a more popular oil than the oils of this country?—Yes.

5858. Do you consider that there is any great difficulty in making the petroleum oil quite as safe as your cannel oil?—Not the slightest.

5859. What per-centage of burning oil would you have in the ordinary crude petroleum?—It varies very much; it would go up to as high as 65 per cent.

5860. Now, to obtain safe oil at an igniting point of 110 degrees, what proportion would you have of burning oil out of the ordinary crude petroleum?—The nature of petroleum varies very much; but in round figures I think about 60 per cent. is a safe burning oil.

5861. With regard to the Flintshire oils, what proportion of burning oil would you obtain from the crude Flintshire oils?—From 35 to 40 per cent.

5862. You find no difficulty whatever, I suppose, in producing a good merchantable oil at 110 degrees?—Not the least.

5863. But is it more difficult and more expensive to produce oil with a high igniting point than with a low igniting point?—The expense of manufacture would not differ much, but you would take out more spirit in making a high igniting point, and it is not worth so much money; you would not get so much money for your products.

5864. I suppose that your remarks apply equally to petroleum and cannel-coal oils?—Yes, equally.

5865. Do you think it would interfere at all with the petroleum trade to raise the igniting point of the vapour from 100 degrees to 110 degrees?—Not at all.

5866. Would you consider it an additional restriction on your trade?—No, not at all.

5867. Do you think it would improve your trade?—I think that the public would have much more confidence in the oil.

5868. Do you suppose that the public have not confidence in the oils now?—A great number of people are frightened, I think.

5869. You have heard that objection?—Very often.

5870. Is that owing to explosions having taken place?—Yes.

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5871. Are you aware that there is an Act of Parliament called the Petroleum Act?—Yes.

5872. And that the igniting point fixed there is 100 degrees?—It is.

5873. Now do you understand that to be the igniting point of the vapour, or the igniting point of the oil?—I understand it means that the oil shall not give off vapour which will inflame after being given off at 100 degrees.

5874. You would say that it is the igniting point of the oil, and not the vapour, that is meant by the Act?—No; I understand the Act to be that the oil shall not give off inflammable vapours under 100 degrees; I believe those are the words of the Act.

5875. The words are, "Petroleum for the purposes of this Act shall include any product thereof that gives off inflammable vapour at a temperature of less than 100 degrees Fahrenheit"?—That is as clear as possible, I think; the burning oil would be one of the products.

5876. Have you ever heard a different definition given to the word "petroleum" in this Act of Parliament?—I should take it to apply to petroleum only; the natural oil.

5877. Have you ever heard that there is a dispute with regard to whether that 100 degrees means 100 degrees of the vapour or 100 degrees of the oil?—There have been great disputes, I hear.

5878. Some take one view of it and some another?—Yes.

5879. Do you think that no other mineral oils are included in the Act but petroleum?—I understand so.

5880. But in any change of the law, I suppose you would think it advisable to include all mineral oils?—Yes.

5881. And I presume you would think it advisable also to make this 100 degrees more definite in its signification?—Yes, undoubtedly, stating exactly how the oil should be tested, just as they give exact directions for testing gas.

5882. I think you have stated that you have heard of a good many explosions from the use of oils at a low igniting point?—Yes, I have heard of them and seen them in the papers.

5883. Is there any mode that you could suggest for preventing those explosions?—There is no mode, I think, except by raising the igniting point of the oil, and seeing that the oil sold is at that igniting point.

5884. Are you acquainted with the Petroleum Act?—I read it some time ago.

5885. There is no officer appointed to see how it is carried out, is there?—None whatever.

5886. And the Act has proved quite inoperative in consequence, has it not?—I believe so.

5887. You think that there should be some one appointed under any new Act that may be passed to inspect the oils exposed for sale?—Undoubtedly.

5888. In whose hands do you think that inspection should be placed; in the hands of the police or the Excise?—I should think that there would be enough work for a separate person.

5889. Do you think it would be an advantage to insist that the seller of oils should take out a license?—I do not think it matters whether he has a license or not.

5890. Would it not facilitate the inspection of the oil, if the person inspecting knew who were licensed to sell the oils?—I do not see that; if it was only allowed to be sold in licensed shops, you could not get it at any other place.

5891. But if any person was allowed to sell the oil, would there not be a difficulty in finding out who sold it?—I do not see the use of a license.

5892. Lord *Richard Grosvenor.*] You have stated that you bought inferior oil in Liverpool the other day?—Yes.

5893. Do you think that that is petroleum as imported, or that it has been adulterated with what is now called turpentine spirit?—I cannot say, but I should say that it is as imported; still we cannot say whether the spirit was taken out first and again added, or not.

5894. The expense of taking the spirit out of petroleum is not great, is it?—No.

5895. Can you give the Committee any idea what it would cost per gallon?—To take spirit out of oil already refined, I should say that a farthing a gallon is the actual cost of doing it. With regard to the difference of value of the burning oil, that would be about 2½ per cent. on the value, whatever the value was.

5896. With regard to the British oils, they are not liked by the British public for many reasons, one of them being their smell?—They have been sometimes higher in price than petroleum, but, as a rule, no doubt home-made oils have been inferior.

5897. But the process of manufacture is improving every day, is it not?—Undoubtedly.

5898. And you look forward to a better time for the trade?—Undoubtedly. The home manufactured oils have been inferior in colour and smell, but not with regard to the igniting point.

5899. Is it not the fact, that they have been as a rule safer than imported petroleum?—They would burn longer and give more light.

5900. So that a man would get more out of 2 *s.* 6 *d.* worth of British oil than he would out of 2 *s.* 6 *d.* worth of petroleum?—He would get more light.

5901. Mr. *Lusk.*] Have you, of your own knowledge, known of many lamp explosions?—No.

5902. Do you think it necessary that there should be any legislation in that point of view?—I think so; because, though I have not known of them, as the oils are very little burnt about where I am, still I hear of a great many.

5903. Where do you hear of them?—I see them in the newspapers.

5904. Only in the newspapers?—I have heard of a great many, but I do not know that I have heard of them except from the newspapers.

5905. Lord *Richard Grosvenor.*] Have you had any accidents from what are called explosions in the stills?—No.

5906. That is owing to the faulty construction of the stills, I suppose, if it happens at all?—We have had no such accidents.

5907. But when they have occurred, it has been owing to the faulty construction of the still, I suppose?—Or bad working; it was not from the vapour of petroleum.

5908. Mr. *Lusk.*] Is 100 degrees a fair test of the oil, do you think?—No; I think it should be higher than that; it should be 110 degrees at least.

5909. You think that would be fairer?—Yes; it would be higher than any temperature to which the oil could be exposed in any house. I would rather have the oil a little higher for my own use; but 110 degrees would be safe.

5910. Lord *Richard Grosvenor.*] I suppose that the present stock of oils in hand could be brought

brought up to 110 degrees without any very great expense?—Yes.

5911. You put the price of conversion at ¼ *d.* a gallon, and the difference is 2½ per cent.?—Yes.

5912. Mr. *Lusk.*] Are those oils increasing much in consumption?—Enormously.

5913. What class of articles are they putting out?—Tallow candles; the dips suffered first as being the worst, and now the composite candles suffer.

5914. Who consumes the oil mostly?—The working population.

5915. I suppose you mean the people who have not gas?—Gas is not much burnt by the working population anywhere, except in Scotland, I think.

5916. If the oil grows largely into consumption among the poor, there must not be too many restrictions in the way of its use, licenses and things of that sort, must there?—I see no use in a license. Mr. *C. Humfrey.* 27 June 1867.

5917. *Chairman.*] Is there anything that you wish to add to your evidence?—I have examined one of the samples of petroleum which I bought in Liverpool, that had an igniting point of 85 degrees. I have taken some of the spirit from it, and I find that by taking out 5 per cent. of the spirit the igniting point is raised to 115 degrees, which shows that even a small quantity of spirit taken out would raise the igniting point of the oil.

5918. Lord *Richard Grosvenor.*] That was a small experiment, was it not?—Yes; it was only a few ounces for the sake of experiment.

Mr. William Bryce, called in; and Examined.

5919. *Chairman.*] Are you engaged in the Shale Oil trade?—In Shale and Coal Oil.

5920. Have you been connected with that trade both in Scotland and England?—I have.

5921. How long have you been connected with that trade?—About five years.

5922. At present you are connected professionally with what works?—With the Cowper Works, North Wales.

5923. Is the oil there made from shale or cannel coal?—Both.

5924. Can you inform the Committee what is the proportion of illuminating oil that you obtain from the crude oil in your district?—About 40 per cent.; it varies according to the different coal and shale which I use; but worked together it is about 40 per cent.

5925. What is the usual igniting point of your oil there?—I never send it out under 125 degrees.

5926. What do you mean by 125 degrees; do you mean the igniting point of the vapour or the igniting point of the oil?—I always take the igniting point of the vapour; the first flash.

5927. That would be equal to about 135 degrees of the oil, would it not?—No; I think that from 5 degrees to 7 degrees is about the difference; but if you heat it up very quickly the thermometer rises up before you have time to test the oil by the flame.

5928. I suppose you have heard the evidence which has just been offered with regard to taking the igniting point; do you agree in the main with that evidence?—I take a different mode of testing; I float a small wick, and that floats up and lights itself the moment you come to the point; you have only to watch the thermometer.

5929. Whenever you have a flash from that wick you consider that the proper point?—Yes, and I then blow it out.

5930. Have you ever studied the petroleum oils as imported into this country?—Yes; I have tested a good many samples.

5931. How do you find those oils as compared with yours?—I have never found them higher than 100 degrees, but I have only bought them from shops.

5932. Was that 100 degrees according to your mode of testing?—Yes.

5933. And you have found them as low as what?—As low as 68 degrees.

5934. Do you think, as a manufacturer, that there would be any difficulty in making petroleum oil with as high an igniting point as the coal oils?—Not the smallest; I have made it often. Mr. *W. Bryce.*

5935. I suppose you would not be able to sell it so cheaply?—It would depend entirely upon the price we obtained for the spirit; but, as a rule, the price of the spirit is not higher than the price of the oil, though sometimes it is.

5936. Do you think that the difference of price would be great against the manufacturer or against the public?—Not particularly; it would make a difference of a few pence, perhaps, but it would not be ruinous.

5937. Do you think that we should make no distinction whatever between the petroleum and the coal and shale oils, in legislating for mineral oils?—I think not.

5938. Are you of opinion that it would be fair for all parties to have one law for them all?—Certainly. I sold to a Manchester dealer, some time ago, a large quantity of very white home-made oils, and he sold it all as petroleum, because it brought 3 *d.* per gallon higher.

5939. With regard to the petroleum and paraffin oils, we have been told that the refined petroleum is much preferred by the public to the paraffin oil; is that your experience?—I cannot say particularly that it is so; but probably it is, because there have been a great many inferior paraffin oils in the market.

5940. But it is said that petroleum is better in colour, and has not such a disagreeable odour as the shale and coal oils?—That depends almost entirely on the manufacture.

5941. Do you think it quite possible to bring up the paraffin oil to the standard of petroleum in point of colour and odour?—Perfectly.

5942. Now, looking upon this oil as the poor man's light, do you think it is necessary that we should have it supplied cheaply and with as few restrictions on the trade as possible?—Yes.

5943. Do you find that when you raise the igniting point of the oil you in any way diminish its value as a light-giving substance?—No.

5944. Does it improve its quality?—We will improve its quality because we will make it safer.

5945. But would you give it more illuminating power?—Certainly; it would burn longer and be of the same illuminating power.

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5946. You think that it would be quite as brilliant a light, and that it would burn longer?—Quite.

5947. You have stated that you had petroleum as low as 68 degrees, and you say that your oil is 125 degrees?—Not under; I make it 150 degrees, for India especially.

5948. Do you think there is as much illuminating power in that low-igniting petroleum as there is in your high-igniting oil?—No, there is not so much illuminating power in it.

5949. Lord *Richard Grosvenor.*] You obtain more for your money from a high-igniting oil than you do from a low-igniting oil, do you not?—Decidedly.

5950. As you increase the igniting point of the oil, do you also increase its illuminating power?—It depends upon whether you have extracted the volatile spirit from it or not, because a very small quantity poured on really good oil would make it ignite.

5951. But I think you mentioned that the cause of the low igniting point of the oil is the presence of the spirit?—Yes.

5952. Then the question I put is this, as you increase the igniting point of the oil, do you also increase the illuminating power?—Yes, if you do not make it too heavy; up to say 115 degrees to 120 degrees of specific gravity might be considered fair; this that I have now is only 118 degrees of specific gravity, and the firing point 150 degrees.

5953. Then, with regard to the price of the oil, as you increase the igniting point, is it more expensive to manufacture it?—The sale would be the best criterion for that; I am selling this at 2*d.* per gallon more than the other.

5954. But I mean the intrinsic value, the real cost to the manufacturer; is it more expensive to make the oil at a high igniting point?—It is more expensive, but it all depends on the difference between the price of the spirit and the price of the oil.

5955. Therefore the Committee should be on its guard that it does not go too high, lest it should be made too expensive an oil for poor people?—It would not make much difference in the expense; it is a matter of opinion; but the safety of the public is the main thing.

5956. *Chairman.*] Now, with regard to the storing, do you find any particular difficulty, or is there any specific risk in storing petroleum?—With us there is no risk, because we are always up to a very high igniting point; we might store it anywhere, but I should recommend ventilation in all cases.

5957. Are you aware of there being a large quantity of mineral oils sold at a low igniting point?—The fault of the shale oils has been chiefly in their colour, and not in their igniting point; but I bought three or four samples of petroleum, and I think the first one that I tested came up to about 82 degrees, the next 90 degrees, the next one I think was 95 degrees, and the last was nearly 100 degrees.

5958. It would be to the interest of the public and the manufacturer too, would it not, that steps should be taken to put a stop to the sale of dangerous oils?—Yes.

5959. Do you think that it would be any restriction on the trade to have a person appointed as inspector in populous places, to examine with regard to the igniting point of the oil?—No, I do not think that would be injurious.

5960. Do you think it would be beneficial to the trade?—Yes, and it would give more confidence to the public with regard to the oils that were consumed; we have often a bother about the igniting point, but if the oil were tested there would be an end of it.

5961. It has been suggested to the Committee that the persons who deal in such oils should take out a license for selling them?—Yes; I think that the inspection might be done very simply, by just applying to the manufacturer to let the oils be examined there, and sent out with a permit, the same as a distiller does.

5962. After whisky leaves the distiller's it is sometimes mixed with vitriol and water, is it not?—I heard a very famed distiller say, not long before I left, that he did not know his own whisky after it had passed the watering-trough, a quarter of a mile from his own premises.

5963. Perhaps the oil manufacturer would not know his own oil a quarter of a mile from his own premises, and then he would get all the blame of selling bad oil, would he not?—But you must seal up the cask, and send a permit with it.

5964. Suppose that when it came into the hands of the retailer he draws off a lot of the good illuminating oil, and puts in some light cheap spirit, and in that way adulterates your oil?—That is possible.

5965. You would get the blame of that, would you not?—Perhaps so.

5966. Do you think it a fair plan, under those circumstances, to have the test at the manufacturer's premises only?—I think the retailer should be looked into also.

5967. Lord *Richard Grosvenor.*] The fact of these low class oils being sold tends, in a great measure, to keep good and high igniting oils out of the market, does it not?—I do not know that it does, particularly; but the petroleum has come to a very low price now, and I think that most of the manufacturers in this country are not able to compete with it. But that is a matter of business altogether, because it would make little difference if you raised the igniting point of the petroleum.

5968. Are you satisfied with 100 degrees as the standard?—No, I would have it higher than that.

5969. You would prefer 125 degrees?—Yes, certainly.

5970. What do you consider would be a safe standard?—I believe that the petroleum is often burnt under 100 degrees, and some few explosions take place. I have tried one or two lamps, and I have exploded them myself, with this low class of petroleum; but something over 100 degrees, something over the heat of the human body, which is 98 degrees, would be comparatively safe.

5971. *Chairman.*] Then you would say that the present Act of Parliament is safe enough?—There is nothing to work it.

5972. But suppose there were fresh legislation on the subject, would you raise the firing point above 100 degrees?—For my own part I would prefer oils above 100 degrees. I should say that it would be advisable to raise it.

5973. Mr. *Agar-Ellis.*] What is the point that you would recommend?—Not under 110 degrees, and I would not like to burn much of that in very hot weather. I tried some little experiments with a lamp, inserting a thermometer, and increasing the size of the burner with a broader wick,

wick, and the interior of the lamp came up to about 75 degrees, while up above that it was as high as 115 degrees (with an inch wick).

5974. Mr. *Lusk.*] So far as you know, do you think there is much need of fresh legislation on this subject?—I cannot particularly say; I know very little about the trade outside; but I have heard of very few explosions.

5975. Have you ever known a case of explosion, personally?—Yes; I have had two or three under my notice.

5976. Were those cases of a house taking fire?—No; it was a carpet burnt, and things of that kind.

5977. Have you ever heard anything like a general complaint of fires being caused by the explosion of lamps?—Yes, I have heard some complaints about them.

5978. But not general complaints?—No.

5979. Then the present state of things is not so very bad, after all?—I have not been in the way of hearing that; I deal chiefly with the wholesale dealers.

5980. If it had been very bad, would you not have been likely to hear complaints?— Very likely.

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5981. You think that an igniting point for the oils of 100 degrees is not quite high enough?—I would make it 110 degrees or 115 degrees, at least; not under that.

5982. Do you think that there is any sufficient reason why you should alter the present state of things, and make any law to restrict the oil trade at all?—There is a danger.

5983. But if things are going on very smoothly, you should have a good reason for making restrictions on the trade, should you not; do you see any reason for doing that?—Wherever there is oil which is dangerous sold as being safe, I think it should be checked.

5984. But you say that you scarcely ever knew of a case of explosion?—I know of a case where the lamp exploded, and burnt a woman to death.

5985. You think it would be best to examine and test the oil in the manufactory?—I think it would be fair.

5986. And to make it penal to sell the oil under a certain temperature?—Yes.

5987. *Chairman.*] Have you anything that you would wish to add to your evidence?—No.

Mr. Thomas Hilton, called in; and Examined.

Mr. *T. Hilton.*

5988. *Chairman.*] Do you reside in London?—Yes, in Southwark.

5989. Are you connected with the petroleum trade as an importer, or as a merchant?—As a merchant and wholesale dealer.

5990. Do you import at all from America?—Not in our own name.

5991. Do you deal in shale or coal oils?—Yes. We deal in every description of mineral oil that has been introduced.

5992. Do you obtain any oils from Burmah?—We deal very largely in Burmese oil when refined, but we do not import it; we deal exclusively in refined oils.

5993. Do you have any from Wallachia?—Yes.

5994. I suppose you heard the evidence given by Mr. Lambe?—Yes.

5995. Do you agree in the main with the evidence given by him with regard to the comparative qualities of those oils?—Generally I do. With regard to the light-giving power of those oils, evidence has been given, and it has been generally stated, that shale and coal oils give a light equal to petroleum; that is decidedly an error. I do not know whether it may be theoretically said that by some abstract deduction a given bulk of petroleum oil will produce a greater light, but I do know that the light-burning petroleum gives a permanently greater light than any other known mineral oil.

5996. But I think the question was what was the illuminating power of the oil?—Perhaps the abstract quantity of light to be obtained out of a gallon of coal oil might be greater; but the light from a given sized flame would be much larger with petroleum.

5997. But the evidence was that though petroleum might give more light burning, shale oil will last longer; is that your opinion?—It is so; but the public, strange to say, have taken another view; they first chose paraffin oil, and now they choose petroleum. Paraffin oil is almost unsaleable, and it is offering at 1 *s.* per gallon, and at 1 *s.* 3 *d.* petroleum is saleable to the extent of 3,000 gallons a week.

5998. How do you account for that?—That is in consequence of the intense brilliancy of the light of petroleum; the public have given a great deal of attention to the subject of petroleum, and they are acquainted with its nature; there is scarcely any commodity that the public have given so much attention to as this. What I mean by the public is the poor man, the working man; it is decidedly the poor man's oil; it has been a great boon to him; it gives him a light for four or five hours for a penny, which otherwise would cost him 4 *d.* or 5 *d.* a night.

5999. Are you speaking simply of petroleum?—I am speaking of mineral oils generally. I have dealt in petroleum since the commencement. I have been through the whole of our business correspondents as well as asked our travellers and my partners, and we are unable to trace any one single case of explosion from any oil that we have sold.

6000. You only speak of oils that you personally have sold?—Yes, quite so.

6001. But you have heard of lamp explosions from other oils?—Yes; I once heard of an explosion by which the life of one man was lost. I called at the shop where the oil was sold, and the man told me that the glass vase of the lamp which held the oil was not broken; if that was true, of course it could not have been an explosion. For all practical purposes I think that 100 degrees Fahrenheit is a safe point; I mean that when the light is applied very near the surface of the oil, the oil should permanently ignite, and not a mere flash. I reject all oils that take fire below 100 degrees.

6002. Lord *Richard Grosvenor.*] Do you test them?—Constantly.

6003. *Chairman.*] You are not an importer?—No.

6004. But it is consistent with your knowledge

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that there is a considerable quantity of oil sold which you consider dangerous?—Yes.

6005. Where is that oil made; is it petroleum, or shale, or what?—All kinds of mineral oils; I saw a sample of the Wallachian oil a little time ago, which was quite unfit to be sold.

6006. Was it sold as an illuminating oil?—Yes.

6007. In retail shops?—No, but it might have been.

6008. It had not got into the market?—No.

6009. Lord *Richard Grosvenor.*] Can you give the Committee the illuminating point of that oil which took fire?—Eighty degrees.

6010. Is that the lowest that you have known?—For some years I have never found any under 85 degrees sold as oil. The re-refining of that Wallachian oil costs the parties fully 6*d.* per gallon to make it merchantable; and by the time it was made merchantable, it was above the standard value, and then it was unsaleable. I have been at some trouble to make constant inquiries of American merchants and American refiners (I had one at my place this morning), and they tell me that if you raise the standard above 110 degrees, you will practically exclude a very large portion of this petroleum.

6011. *Chairman.*] In America it is 110 degrees, is it not?—Yes, but it is only equal to our 100 degrees, that is owing to the mode of test adopted there; when I test the American oils, they go about 10 degrees lower.

6012. Do you mean by our standard, the igniting point of the oil, or the igniting point of the vapour?—I mean the permanent ignition, not the oil itself, for it is always the vapour that burns; I mean permanent ignition, which will support a continuous flame.

6013. I suppose you are aware of the existence of the Petroleum Act?—Yes.

6014. Do you know that the igniting point in that Act is 100 degrees?—Yes.

6015. Is it your opinion that that refers to the igniting of the vapour, or the igniting point of the oil?—From conversation I have had with Dr. Letheby (he gave the evidence which caused that Act of Parliament to be passed), I know that he intended the permanent ignition of the oil.

6016. You heard the evidence of Mr. Lambe, who said he thought that meant the igniting point of the vapour?—Yes; yet he in our Petroleum Committee took a different view of it; so I fancy that he is modifying his views; we are all changing our views, I think. I use apparatus somewhat similar to his, and I am content to have 100 degrees permanent ignition.

6017. Lord *Richard Grosvenor.*] How many degrees does it require to be raised after the first flash up to the point of permanent ignition?—In my experience, about five degrees, though some make it 10 degrees.

6018. Do you use water around the vessel in which you put it?—Yes.

6019. That causes it to heat more steadily, does it not?—Yes, more steadily.

6020. *Chairman.*] I suppose you heard the evidence given by Mr. Lambe with regard to the difference of the igniting point in America and the igniting point in this country; he stated that there was 10 degrees difference between the two countries if the test was taken in this country, as he proposed?—Yes, it does appear to be so.

6021. You refer to the oil test, in speaking of 100 degrees?—Yes.

6022. Mr. Lambe referred to the vapour test, did he not?—Yes.

6023. Therefore, Mr. Lambe's igniting point would be 5 degrees or 10 degrees higher than your point?—Yes, possibly; but if a number of persons were all assembled together to discuss this question, and we came to the mode of testing, we should all agree. In the first place, the oil itself cannot burn, and I am willing that the Act of Parliament shall mean vapour, so long as your standard is not raised.

6024. But in that case, taking the igniting point stated by Mr. Lambe, and the igniting point stated by you, the American igniting point of 110 degrees will be equal to that of this country?—It will be quite equal to it; and it may sometimes be a little above it.

6025. If the Americans consider it necessary that none should be sold with an igniting point under 110 degrees, why do you admit that in this country it should be sold with an igniting point of 100 degrees?—From my own experience of the business, Mr. Downes, who is a gentleman of great authority in America on the subject, says, "Among 8,000,000 or 9,000,000 inhabitants, they do not chronicle, and our press is famous for picking them up, on an average two accidents a day, with all the poorly manufactured and badly adulterated oil."

6026. But two accidents a day is a very serious matter, is it not?—No doubt.

6027. Take the population of London, which is about three millions; suppose we had two accidents per week from petroleum, you would consider that a very grave matter, would you not?—Yes, if I did not find the accidents arose from carelessness. If that could be prevented by raising the standard, I should say raise it by all means; but if the present Act of Parliament were properly put in force you would have no accidents.

6028. How would you put it in force?—By defining the mode of testing, and including every kind of mineral oil that was sold.

6029. You would have a new Act of Parliament, in fact?—Yes; but with the present standard. In the latter end of the year 1865, in consequence of the very small supply of American oil, it suddenly rose from 1*s.* 9*d.* to 3*s.* 9*d.* a gallon, notwithstanding the production of Welsh and Scotch oil, which they could not produce under 3*s.* 6*d.*; and the oil became practically too dear; so that if you make any restrictions on the trade, you make the article no longer a boon to the poor man.

6030. But would it make any difference laying down the igniting point at which the oils should be sold; that would be no restriction at all, would it. We have been told by a manufacturer that it would make no appreciable difference in the price of the oil; is that so?—The present price of the spirit extracted is 6*d.* per gallon; the present price of the oil is 1*s.* 3*d.*; but suppose the price of the oil should be 1*s.* 9*d.*, I think the Americans could not produce those oils at a very high igniting point at as low a price as they are now doing.

6031. You have mentioned the case of the Wallachian oil, which was re-refined, and that the cost was 6*d.* per gallon more?—So I was told.

6032. A previous witness stated that he re-refined some petroleum oil, and that it cost ¼*d.* a gallon

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a gallon only?—I will give a refiner 2*d.* a gallon to make 85 degrees petroleum into 120 degrees, in several thousands of gallons; and I shall not be able to find a manufacturer to do it.

6033. Are you a manufacturer?—No.

6034. Do you make any kind of mineral oils?—No; I adhere to the petroleum. In the case of shale oil they can do it; but they cannot do it in petroleum; it will not produce a sufficiently large quantity of oil at 120 degrees or 130 degrees; and if you were to legislate that the temperature should be raised to 120 degrees or 130 degrees, practically you would prohibit the use of petroleum.

6035. But if you raise it to 110 degrees, what then?—That would be very little difference; five per cent. on the value would be no consequence; that would not be necessary, but it would do no harm.

6036. You think it would be a restriction on the trade in these oils generally to raise the igniting point?—Yes, I do. When once you have set those oils on fire, even with an igniting point of 400 degrees, they are just as dangerous as if they were only 80 degrees. There is some scientific evidence given by Dr. Attfield; but I do not agree with his mode of testing, because petroleum is never subjected to similar conditions.

6037. What mode of testing do you think is the best?—A mode similar to that described to you by Mr. Lambe.

6038. You prefer the hot water system?—Yes.

6039. The hot water system as adopted in America?—Yes; as nearly as possible the same apparatus.

6040. You think it makes an immense difference whether you use common flame or hot water?—Using it in the same way as Dr. Attfield does is most unfair, the naked flame coming on the thin gas. Under no conditions that we know of in commerce could petroleum be so placed. The daily consumption of petroleum for the last four years in Europe has been 2,922 barrels per day; that is petroleum only, and the production for the past 90 days 9,300 barrels; that is in Pennsylvania alone.

6041. Do you think that raising the igniting point would diminish the quantity brought into the market?—Decidedly, if you raise it much.

6042. You think it would make a difference of 2*d.* per gallon to raise it from 85 degrees to 120 degrees?—More than that; to raise it from 100 degrees to 120 degrees would raise the price of the petroleum 3*d.* per gallon at least.

6043. Would you consider it any restriction on the trade if there was a law to insist on every retail dealer in mineral oils taking out a license?—None whatever; if the license was an ordinary excise license like the pepper license, I should have no objection to it, wholesale or retail, but I should object to a restrictive license.

6044. Lord *Richard Grosvenor.*] You simply think that some steps should be taken to prevent a low class of oil being sold?—Decidedly; I would have no oil sold under, say, 100 degrees.

6045. Mr. *Lusk.*] You differ among yourselves on the way to test the oil?—No doubt.

6046. And your opinions change, as you say?—Yes.

6047. Therefore we must not trust too much to any of you, I suppose?—I think not; but we must be guided by practical results.

6048. Have you ever known any cases where fires or other accidents have occurred through oils being sold at a low temperature?—I am obliged to say that practically I cannot find a single case unless I take the newspaper reports.

6049. Mr. *Kinnaird.*] Can you kindly indicate any place near here where we could see specimens of the various lights from these oils?—I should be perfectly willing to put up half a dozen lamps in my own warehouse to show them.

6050. And to explain the various properties of them?—Yes; I will make an appointment if you wish it. Might I state a case that occurred in my own experience, showing the difficulty of working the present legislation? It was a case in which a sample of oil was given me to arbitrate on with regard to the point of ignition. I tried it, and my mode put it at 95 degrees; the arbitrator did not agree with me; we chose for an umpire Dr. Letheby, and he made it 105 degrees. Upon that the sellers of the oil sought to compel the buyer to take it; the buyer refused, and an action at law was brought which was tried before Mr. Baron Pigott and a jury. I gave evidence, and Dr. Letheby gave evidence; the jury attached more weight to Dr. Letheby's evidence, and they gave a verdict for the plaintiff; therefore the defendant was forced to store oil that was in contravention of the Act of Parliament at that time; that is to say, by my mode of testing, and I fear that I made that test at a lower temperature than the scientific witness did.

6051. *Chairman.*] Is there anything that you wish to add to your evidence?—No.

Mr. Lewis Hope, called in; and Examined.

Mr. *L. Hope.*

6052. *Chairman.*] I believe that you have had considerable experience in the petroleum trade?—Yes; I built the largest refinery in America; the standard refinery of Pittsburgh.

6053. I presume you are aware of the mode and the expense of refining petroleum oil in America?—Yes.

6054. Can you give the Committee any idea with regard to the expense of refining petroleum oil?—At the present time I should say it was two dollars per barrel, say seven dollars to the pound sterling; there are 32 English gallons in a barrel.

6055. I think you have heard the evidence of the several previous witnesses with regard to the expense of re-refining?—Yes, and of increasing the fire test, but that is purely a question of locality; those gentlemen have given it with regard to London; if I raise it in America I can do that crude oil at seven cents per gallon, and if I take 10 per cent. more spirit out of it, that would be only one-tenth of the seven cents; the cost would not be increased at all, because the same fire would do both, so it would not be a cent a gallon, instead of the 2*d.* a gallon which has been given you.

6056. A cent is a half-penny is it not?—It is less than a half-penny at the present time.

6057. Have you any idea of what would be the cost in London of refining the oil and raising it to 110 degrees?—In the first place, to re-refine is an exceptional matter; you would ordinarily do it

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it all in the first process; but in London, where the coal is dear, it is very different from what it is in Pittsburgh, where coal is cheap.

6058. But a great part of the oil sent to this country now from America is refined oil is it not?—Nearly all.

6059. It would take less than a half-penny a gallon, you say, to raise the igniting point from 100 degrees to 120 degrees?—I do not think it would take a half-penny. I have been in the habit of shipping it at 115 degrees. One of my partners writes to me to say that he is quite ready to ship it at 130 degrees, though I consider that unnecessary.

6060. Should you obtain as large a quantity of illuminating power from crude petroleum at 130 degrees as you would at 100 degrees?—Certainly not.

6061. You could not sell it at the same price, could you?—To increase the fire test in crude oil by 10 degrees would be a very slight addition to the cost.

6062. Do you think that it would interfere much with the petroleum trade were the igniting point raised?—No, not in the least; but I think there is no need of it. As to America, in New York they may have municipal legislation, and in New Jersey and Pennsylvania they may have a duty. The Government of the United States has an excise system; but they take no cognisance of the quality.

6063. When were you last in America?—I have not been there for two years.

6064. I have before me the "Internal Revenue Guide" for 1867, and I find that by Section 29 of an Act recently passed, it is enacted that no person shall sell or offer for sale petroleum oil for illuminating purposes, inflammable at a less temperature than 110 degrees, and then follow the penalties?—That is an amendment; I do not know of the legislation for 1867. But with regard to the licenses of dealers, the object of that license there is revenue, whereas in England the idea of a license has often reference to some point of public safety, I suppose.

6065. Can you tell the Committee the ordinary igniting point at which they sell oil in America?—Crude oil is a commodity that varies according to the time at which you sell it in the year; it depends on the period which has elapsed since it came from the well, and the number of days during which it has has been tanked, and whether it went to market in barrels or in an open boat. All that gives an opportunity for escape to the volatile matter.

6066. I am speaking of refined oil?—With regard to refined oil, there are probably 60 refiners in Oilcreek and 60 in Pittsburgh, to say nothing of other localities. Perhaps in Pittsburg there are eight really first-class manufacturers; the rest are small. In Oilcreek they are nearly all small, and small manufacturers have not the skill or the capital to produce an excellent commodity; nor is it important that they should, because their trade is from hand to mouth; whereas a large manufacturer does not like his brand to have a bad reputation.

6067. But can you mention to the Committee what is the ordinary igniting point of the oil sold in America?—In my works we consider 115 degrees enough, but we considered that 110 degrees was enough also.

6068. How do you test your oil?—Precisely the same as that apparatus there produced by Mr. Lambe. With regard to the difference in the test between England and America, you might just as well say that there is a difference between Liverpool and London. With ourselves, the moment the temperature of the oil was high enough to flash, that was taken as the test.

6069. The flash was the test?—Yes; the moment it flashed, we took the igniting point.

6070. The Committee have had it in evidence here that it was not the flash that was the true guide?—We always went by the flash.

6071. Mr. *Agar-Ellis.*] How do you account for the difference of the test here from your test in America?—The refiners in America might test differently; but there is no positive difference between the American and the English test. Since I have been in the room, I have asked a gentleman to whom I have shipped oil, what was the difference, and he replied that there was no difference in the testing here and the testing in America.

6072. Of course you take it with hot water in America?—Most of us put a spirit lamp underneath to raise the temperature of the water.

6073. Is it consistent with your knowledge, that in America at this time the legal igniting point is 10 degrees higher than the igniting point of this country?—If that Revenue Report is correct, certainly it is so.

6074. Lord *Richard Grosvenor.*] Do you think the oil is officially tested in America?—An inspector used to gauge our barrels, but he never looked at the oils; he gauged all the barrels when they were empty.

6075. *Chairman.*] Are you aware of the Commission that was appointed in the year 1865 to inquire into the whole subject of petroleum?—I have heard of it, but I have not read their Report.

6076. This is one paragraph of the Report: "The Commission are informed that quantities of inflammable and dangerous oil, of a good appearance, are sold to consumers in different parts of the country. They would call the attention of the public to the importance of legislation, by State and municipal authorities, prohibiting under penalties the sale of oil for domestic use, which is not, at least, as good as 110 degrees fire test." That was reported to Congress, was it not?—That has arisen from the circumstance that the Government was cheated out of its revenue; and, in order to obtain the money, they passed this law which secured their revenue, and also guarded, as they supposed, against accidents.

6077. Have you heard whether there has been any difference in the trade since then with regard to the igniting point adopted?—Only from the letter from my partner, which I have already referred to, saying that they are willing to ship the oil at 130 degrees.

6078. Mr. *Agar-Ellis.*] At the same price?—It would not make a cent a gallon difference at the present price of the crude oil.

6079. Lord *Richard Grosvenor.*] Is the trade in petroleum increasing largely?—No; the business fluctuates according to the production of the crude oil. The present production is, in round numbers, 3,000,000 barrels, and that is retained mostly in America. There is one point which must be borne in mind, namely, that England is the great distributing point for the rest of Europe. If I ship a cargo to England, it is a great advantage to England to have the choice of markets, and I think that the less legislation we have about the oil the better; the public are as well able

able to take care of themselves in oil as they are in pepper or anything else, and I do not think that Government can do it as well as the mass of the people themselves.

6080. *Chairman.*] I thought you said that in America the Government was compelled to interfere?—Yes; the Government got 20 cents on the petroleum, but it turned out that they were losers in revenue by the admixture of articles which did not pay a tax at all.

6081. The Government was cheated in that case; but you are aware that the spirit is very often selling at a lower price than the illuminating oil?—They could not gain by that.

6082. But the retail shopkeeper here may put a cheap spirit into the oil, and so make a profit, while he cheats the public though not the Government?—They cheated both in America.

6083. I presume you would say that it would be an advantage to appoint by law some officer whose duty it should be to see that the public were not cheated in England?—I think that the Excise system is an objectionable system, and the less you have of it the better, though the present Excise system might include the investigation of oil; but I should think that if a man sold something dangerous when he ought to sell something safe, your law would punish him, even as it is.

6084. But would it not be an advantage to fix by law a certain igniting point, and make it punishable to sell any oil below that igniting point?—I would rather the public took care of themselves.

6085. Mr. *Lusk.*] The American Government passed their Act for the purposes of revenue, and not for the safety of the public?—Yes; the latter was introduced as an adjunct.

6086. Mr. *Kinnaird.*] Are you not aware that a Committee of this Houses at for two Sessions for the purpose of examining into the adulteration of food?—Yes.

6087. The public, in fact, had not been taking care of themselves?—Because they would not take the trouble.

6088. The very article you mention, pepper, as well as coffee and other articles, was proved to be fearfully adulterated, and yet you say the public could take care of themselves?—Yes; they could, but they did not.

6089. Surely the poor working man has no means of testing the purity of the food sold to him, has he?—I agree that the less intelligent a man is, the less is his power of protecting himself in every direction, but it does not follow that he should be legally protected.

6090. The great mass of consumers are totally unable to protect themselves, are they not?—They must learn to protect themselves; if one man is blown up through using bad oil, other men ought to be wiser.

6091. But is it not well that we should try to prevent people being blown up at all?—You may increase the number perhaps.

6092. Lord *Richard Grosvenor.*] Is it not the fact that food is less adulterated here than it was before that Committee sat?—I believe that is so.

6093. *Chairman.*] The Americans having raised the firing point of their oil, do you think it probable that the inferior kinds will now be more likely to find their way into this country?—I think not, because the Americans must manufacture oil for the largest market, which means their own country, as well as the foreign market; so that they will be rather inclined to make a better oil; the cause of bad oil being sent here is, that the merchant transmits his orders to meet the price, and in his rage for cheapness he gets something bad.

6094. Is there anything that you wish to add to your evidence?—It is an inexhaustible subject.

Thursday, 4th July 1867.

MEMBERS PRESENT:

Mr. Agar-Ellis.	Mr. Lusk.
Mr. Beach.	Mr. M'Lagan.
Lord Richard Grosvenor.	Mr. Read.
Mr. Kinnaird.	Mr. Turner.
Mr. Lanyon.	Mr. Whitmore.

PETER M'LAGAN, Esq., IN THE CHAIR.

Captain EYRE MASSEY SHAW, called in; and further Examined.

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6095. Mr. *Agar-Ellis.*] IN your evidence, on the last day you were examined here, you stated several of the cases of fires; have you any experience of fires caused by oils, explosions from lamps, and things of that kind?—I have here a table of all the oil fires during the last seven years in London; there are altogether 34 in the seven years.

6096. With respect to the causes of those fires, what have you to remark?—I ought to say that out of those fires there are 13 in which there was petroleum.

6097. But what were the causes of those fires?—I cannot in any of those cases trace the cause directly to either vapour or any very particular danger from petroleum or other oils. The causes have chiefly been connected with the operations in the works; in fact, with the process carried on.

6098. Did you ever know of a fire being caused by the explosion of an oil lamp?—Yes; I have known cases of that kind. On the 2nd of October of last year, a fire was caused by the explosion of a paraffin lamp.

6099. Where was that?—At St. James's-street, Hatcham.

6100. You did not see the explosion, of course?—No.

6101. That you take on hearsay?—Yes. There have been many explosions of oil lamps; but in this list, out of 34 there has been only one case caused by the explosion of paraffin oil.

6102. You cannot give any very precise account of the causes of those 34 fires, I suppose?—Yes; I can give the causes of several.

6103. What the Committee want to ascertain is this, whether in oil works or elsewhere fires have been caused by the vapour from the oil catching fire, by the explosion of lamps, or by spontaneous combustion?—I have never known an authentic instance of a fire in oil works from any of those causes.

6104. Do you know of any fires, from those causes, in other places?—Yes, but I could not give instances of them at this moment.

6105. Did you ever know a case that you could rely on, of spontaneous combustion?—Never. I have never known a case that I could really swear to.

6106. There are no cases of oil lamps exploding, and a fire ensuing from that, are there?—Yes, many cases.

6107. What description of oil is that?—I think in every case it was mineral oil. I do not see any possibility of any other oil causing an explosion in a lamp.

6108. Do you include petroleum in that statement?—Yes, I include petroleum.

6109. You have stated that you thought it would be a good thing to have an investigation into every fire?—Yes; I think it would be a decidedly useful thing in some ways.

6110. You would have some kind of investigation into every fire?—Yes, into every fire, however small.

6111. Have you turned your attention to the question, what would be the best method of investigation?—Not very much. But since this Committee has been sitting I have given that subject some attention, and it is clearly my opinion that any recognised court with proper experience would be suitable for the purpose.

6112. But you could hardly bring a very small fire into a court of that kind, could you; would not it be too cumbrous a process?—That is one of the difficulties about it; the inquiry could not be carried out without a certain amount of what might prove to be unnecessary expense.

6113. But can you suggest any method that would do, in the first instance, for every fire?—I cannot see any other way than that of having an investigation into every fire, otherwise the thing would be invidious and would not succeed.

6114. But the Committee wish to know what method you would recommend for investigation?—I think that any recognised court might take up the matter.

6115. But a court method would be rather a cumbrous method of proceeding at first, would it not?—In the first instance, I think the police should make proper inquiries on the spot, and, in fact, prepare evidence to some extent, and perhaps that the court should have an official of their own, who would go and assist the police in the inquiry; in that way a great deal of preliminary evidence might be taken as a guide for the magistrate and authorize him to cut short the inquiry, perhaps at an early stage, instead of letting it run to a greater expense.

6116. Do you think that the police would be the best authorities to make the preliminary investigation?—Yes, I am quite clear upon that point; of course they would be assisted by the firemen, but the firemen's assistance would only be

be connected with the strictly professional part of the business; that is to say, if they saw anything suspicious they would point it out to the police; but the police have much more opportunities of knowing the financial position of many people who have fires than the firemen have.

6117. They would also know the characters of the people?—Yes; they would know their general characters better than the firemen.

6118. It comes to this, then: that the police with the assistance of the firemen are to make an examination in every case of fire, and that then they must take the evidence to some higher authority?—Yes.

6119. What authority would you propose?—That point is somewhat out of my department; but there are two recognised courts, and I think that one or the other would be the proper one; I mean the coroner, and the sitting magistrate of the district. The objection to the magistrate would be that in a large town like London there are so many sitting magistrates, that any person who started a systematic plan of fraudulent fires, might go through the whole round of the town, and not be recognised; whereas if one person, such as a coroner, was appointed, the investigations into all the fires in a very large district would come under his individual examination, and in that way the persons who make fraudulent fires would be much more likely to be found out. The moveable court of the coroner has a certain decided advantage over the fixed court of the magistrate.

6120. You prefer the coroner to the magistrate?—Yes; because the coroner can go to work very near the spot, and receive evidence from persons who could not spare time to go before a magistrate at a distance.

6121. Would you recommend that there should always be a jury?—Yes, in every case; I see no way of avoiding that.

6122. Whatever the court might be, should it have power of examination on oath?—Certainly.

6123. It has been suggested that there might be a third course; that you might appoint an officer expressly for the purpose, after the style of the fire marshals in America; do you think that there would be work enough for one man to do?—No, I think not; nor would any one man for many years acquire sufficient experience to enable him to give satisfactory results.

6124. But he might have as much experience as the coroner at starting?—Possibly; but the coroner has experience in taking evidence to begin with.

6125. Your decided opinion is that the coroner would be the best person to fill the office in question?—Yes; considering everything, he appears to be the most available person for the purpose; the magistrates have greater experience, and in that way they would be the better persons no doubt; but there is the great advantage of the coroner's court being a moveable court.

6126. Would an investigation into every fire make people afraid of giving an alarm at first, do you think?—Yes; I think there can be no doubt it would.

6127. That would be an evil, would it not?—That would be an enormous evil in itself.

6128. Still you think that the advantage to be derived from an investigation into every fire would be greater than that disadvantage which you have just mentioned?—Yes, I am clearly of that opinion.

6129. The Committee would like to hear your views with regard to the classification of goods, not only in warehouses, but also in retail shops; will you be kind enough to state them to the Committee?—Up to this time in legislating concerning the storing of merchandise, both Houses of Parliament have always avoided anything like an interference with commerce, in fact, with the contents of buildings; they restrict themselves almost entirely to the construction; now there can be no doubt that it would be a considerable advantage if there were some authorised classification, at least, for certain kinds of goods; the difficulty in the way of that is that any inspection or Government supervision would have the effect of injuring commerce to a certain extent, that is quite unquestionable; therefore it would, of course, be advisable to make the Government inspection as slight as possible, and, in fact, only to have it where it is absolutely necessary; in that view of the case I should say that the classification of goods should be carried to a very small extent, but very rigidly enforced to that extent.

6130. You would have some inspection though as slight as possible?—Yes. I would have some inspection; when I say slight, I mean that the inspection should not go to any very great length, but that as far as it does go it should be very strict; in fact, the classification up to a certain point should be carried out most rigidly. There are very few articles of commerce which I think it would be possible to legislate for in that way; perhaps, if we take the fibres, the dangerous oils, and a few of the spirits, we shall have got all the articles of commerce which could be safely legislated for; if we go beyond that I have no doubt whatever the Act would in some way become inoperative; but in the present state of commerce in London, it is not right that a large quantity of fibres should be stored close to a large quantity of spirits or spirituous oils.

6131. Is that the case now?—That no doubt may be the case now in many parts of London; if it is not the case it is simply because it is not convenient; there is certainly no law against it.

6132. By law can any goods be stored in any way in London so far as the classification is concerned?—Yes, almost; there is the Petroleum Act, and there is also the Amendment Act with regard to the carriage and deposit of dangerous goods, and there is the Gunpowder Act; but with the exception of those Acts, there is hardly any restriction in London.

6133. But is there any restriction about the classification of petroleum and jute?—None; wherever it is admitted there is nothing to prevent the storage of jute or any other fibres in the same house even.

6134. There is no law to forbid the storing of petroleum with other goods?—I think there is none.

6135. Mr. *Turner.*] You speak of London, I suppose?—I speak of London alone; I am quite aware that it is not done on a very large scale, and I am merely calling the attention of the Committee to the state of the law as far as I know the law.

6136. You propose that the coroner should in every case hold a court with a jury; does that apply before the coroner has decided whether it is a fit case for full investigation, or merely after he has decided that point?—I do not profess to know the exact state of the law about coroners,

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but I have always understood that a coroner cannot proceed without a jury, and I speak on that assumption.

6137. But do you not think that if there is a preliminary investigation to ascertain whether it is a fit case for further investigation, that would hardly be a question on which a jury could sit; could Parliament not give the coroners such powers as it thought proper?—Yes.

6138. If he thought it best to investigate the case by a jury, he might summon the jury afterwards if he thought proper?—Yes.

6139. But in many cases the cause of the fire would be so clear that there would be no occasion to carry the matter so far?—Yes.

6140. But in other cases it would be necessary to proceed further, and in such cases you would have a jury summoned?—Yes.

6141. But not in the preliminary investigation?—Not in the preliminary investigation: I think it should take exactly the same form as an inquiry into a death; I believe that the coroner has certain powers of stopping the inquiry in such cases, but I do not know what they are.

6142. But if you give him the power to examine on oath, you must give him a power which he does not now possess?—Yes.

6143. If he has not sufficient evidence to justify a fuller investigation, would it be, in your opinion, desirable to summon a jury?—Evidently not; then the difficulty would arise of settling which cases should be fully investigated; if the coroner is bound to investigate all cases there could be nothing invidious in going any length with any particular case; whereas if he has too large a latitude, with regard to stopping inquiry altogether, very great difficulties might arise in case of fires in the houses of influential people.

6144. Do you think that there is a difficulty in the fact that in ordinary cases the coroner has no difficulty in coming to a conclusion that a crime has been committed, and a jury is summoned for the purpose of investigating the origin of the crime, or at all events, the origin of the death; but in a case of fire, you have only a suspicion with regard to the cause?—I can hardly see any difference between cases of death and cases of fire. Whatever power the coroner has at present in case of death, I think he might receive in case of fire.

6145. You would give him the same power in case of fire as he possesses in case of death?—Precisely. In fact, as I understand the coroner's duty, it is not by any means to assume criminality; and it was in that sense that I recommended the coroner's court as a court of inquiry into the cause of a given event, without any reference to its having had a criminal origin or not.

6146. With regard to the classification of goods in London, the municipal authorities have not the same power as they have in other parts of the country, have they; take Liverpool, for instance?—I cannot speak authoritatively with regard to other parts of the country; but in London there is no one municipal authority, and there is no law which allows you to enforce the classification of goods.

6147. In Liverpool, all the petroleum except that which is taken from the quay for immediate transmission into the country, is obliged to go to a particular warehouse?—I hear so.

6148. But no such regulations exist in London, I believe?—There is the Petroleum Act.

6149. But there is no Act of Parliament which obliges the importer of petroleum, if it is not immediately removed, to send it to some particular warehouse especially prepared for that purpose?—No; and there is no such warehouse in London.

6150. And there is no power to compel parties to send petroleum to such warehouses?—Just so.

6151. Would you think it desirable that there should be such powers given?—I do not think that it would be desirable to give the municipality power to control the sending of petroleum to any particular warehouse, if there should be a particular warehouse set apart for it; the bulk of the petroleum imported into London does not come within London proper.

6152. The docks are not within the jurisdiction of the municipality of London you mean?—That is not what I mean; but the great bulk of it is not stored within the metropolitan area at all, it is down in the Plaistow marshes, though there may be a large quantity in London besides that.

6153. But without some such authority on the part of the municipal authorities, there would be no certainty as to where it would go to?—Just so.

6154. The parties now send it to any place which is convenient for themselves, do they not?—Quite possibly. I dare say they do.

6155. Mr. *Beach.*] I presume that the sooner an investigation into the cause of fire takes place, the more likely is the cause to be discovered?—Yes.

6156. Would there be any difficulty in the country from the fact of the coroner being at a considerable distance from the place of the fire?—Yes; but that is a less difficulty than the bringing of a large number of witnesses to meet the coroner; it is easier for him to move about to the witnesses, than it is for the witnesses to go to him; and it would be much less expensive. But, in my remarks about the coroner, I alluded to London alone. I think that in the country there may be many better public officers for the duty; for instance, the magistrates in petty sessions in the country, with the assistance of the chief of the police in the district, would probably be superior to any other court, because the local knowledge of the magistrates would be very valuable indeed.

6157. Do you find any difficulty in the case of a fire in London in obtaining information with regard to the occurrence of a fire; supposing a fire takes place in the middle of the night, for instance, who would let you know of it?—In a general way, the policeman.

6158. How would he do it?—He ascertains it on his beat, and sometimes he comes, and sometimes he sends word; if he had a second policeman there, he would perhaps come himself; if not, he would send word; we have very little difficulty in the principal parts of London, in obtaining that information; we get it very early.

6159. Do the policemen co-operate one with another very well, though they may not be on the same beat?—Very well indeed; I think there is no room for improvement in the police regulation for calling the firemen.

6160. Does the policeman who is on the beat when the fire takes place pass it on to the policeman on the next beat?—No; we are willing to pay for it, and he takes the first messenger he can find, and he sends the intelligence on.

6161. Lord *Richard Grosvenor.*] The police are

are always anxious to give you every assistance they can in every way, are they not?—Yes; exceedingly anxious, and they always do it.

6162. Are the rewards which the police have under this system the same as they used to be?—Yes; they are precisely the same as they have been for the last 30 years.

6163. Can you tell the Committee how many men are employed in the fire brigade in St. Petersburgh?—There are 14 officers and 1,150 men.

6164. Are there some points on which you wish to correct the evidence of Mr. Young given before this Committee?—Yes.

6165. With regard to alleged collisions between the Metropolitan Fire Brigade and the Volunteer Fire Brigade, are you aware that there has ever been a case where a steam engine has been working at a plug belonging to the Volunteer Fire Brigade, and the regulars have come up and said, "Go away; we want your water"?—I have never heard of such a case, and I do not believe there has been such a case.

6166. Who holds the command of the fire brigade, in order to prevent collision?—The chief officer is always in charge, but there has never been a necessity for it to prevent collision.

6167. In Mr. Young's evidence, at Question 38, he was asked, "Did you not consider that the paid fire brigade are the responsible parties in case of fires?" and he replied, "They are put forth as such; but taking the results of their working, and the means at their disposal, I consider it totally insufficient, because it amounts to this; at this moment, perhaps, a fire occurs at Tooting, half the engines in London run to it, and the rest of the metropolis is left unprotected; at Kensington, no less than eight engines of the brigade ran to a fire which occurred there." Will you give the Committee your views upon that answer?—Yes; such a thing has never occurred as half the engines running to Tooting, or as that circumstance at Kensington, so far as it relates to the fire engines.

6168. Mr. *Kinnaird.*] Has it never happened that several engines have converged on one point?—Always, when they are likely to be wanted.

6169. How do you know that they are likely to be wanted?—Simply from the information which we receive, which in nine times out of ten is correct.

6170. What is the most number of engines you have ever known to converge on one great fire?—I have known as many as 30 engines to be present at a large dock fire, and upwards of 100 men.

6171. It does constantly occur, I suppose, that a number of engines are summoned to a fire?—Whenever they are wanted they are summoned; the responsible officer is bound to send a sufficient number of engines.

6172. And sometimes, I suppose, when those engines arrive at the scene of the fire, the fire may be already extinguished?—It is quite possible that it may.

6173. Lord *Richard Grosvenor.*] But for sending a number of engines to a fire, the orders are issued from Watling-street, are they not?—Yes.

6174. So that no one can send engines to any district without consulting head quarters?—Certainly not.

6175. I find at question 40, Mr. Young was asked, "Centralisation has been carried out too much, you think?" and he replied, "Yes, by a long way, in my opinion;" can you give the Committee your opinion whether centralisation has been carried out too much or not?—I think, in the way in which that question and answer have been put, the reply is totally unfounded; London was formerly protected by a very small centralised force, which reached over altogether only 10 square miles, and the Metropolitan Fire Brigade received over this small force, and they have already extended the fire brigade by adding no less than 28 stations, and protecting, to some degree, three quarters of the area under their jurisdiction of 117 square miles; in about a year and a half they have succeeded in fairly protecting about three quarters of it, whereas the area of protection formerly was less than one-tenth.

6176. Mr. *Kinnaird.*] Then this improvement has only been a year and a half in existence?—Not even so long as that; it commenced a year and a half ago, and it is still progressing very rapidly; indeed so rapidly that my map handed in the other day and made about a month previously, was not correct, and in addition to that I may state that at this time there is still more to be added, consequently my map, at this moment, is not complete.

6177. A year and a half ago there was very great room for improvement then, was there not?—Decidedly so.

6178. Lord *Richard Grosvenor.*] But the natural result of increasing the fire brigade is, that it must tend to distribution and not to centralisation?—Decidedly. In fact, with regard to the publicity of this subject, every circumstance connected with this matter has been published to a degree that, I believe, no other public institution has ever attained; thousands of printed notices have been issued at the opening of every station, and sent out, so that any person who wishes to be informed cannot be ignorant of the fact.

6179. Mr. *Kinnaird.*] You mean during the last 18 months?—Yes, anyone who wished to know could know.

6180. Those notices would be distributed about the immediate neighbourhoods, you mean?—Yes, they were handbills; several thousands were distributed in every case; besides, the opening of the stations has been publicly noticed in the reports of the Metropolitan Board of Works.

6181. Lord *Richard Grosvenor.*] I believe that, under the old system, nobody had any business to find fault with the fire brigade, except the insurance offices?—Certainly not.

6182. It was their business and nobody else's?—Just so.

6183. Mr. *Kinnaird.*] Will you explain how it was nobody else's business but that of the insurance companies?—Because, then it was a private concern in the hands of the insurance companies.

6184. But do you not think that the inhabitants of London are as much interested as the insurance companies in putting down fires?—Yes; but the question referred to me was concerning the fire brigade; the public had nothing to do with the fire brigade which then existed.

6185. Mr. *Agar-Ellis.*] Nobody paid anything to keep it up besides the insurance offices?—Just so.

6186. Lord *Richard Grosvenor.*] If the insurance offices were pleased, nobody else had any business to make any remarks upon it?—Not at that time.

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6187. Mr. *Kinnaird.*] Do you think that the public had no right to comment on the management of the fire brigade previously to its being handed over to the Metropolitan Board of Works?—They had a right to complain in the same way as it is open to them to complain of any other public servants.

6188. You mean on any matter in which they are interested?—Yes.

6189. They were interested in the general welfare of the town, were they not?—Yes; but they had nothing to do with the fire brigade at that time, because they were not paying for it.

6190. But probably it is owing to public opinion acting on Parliament, that this improvement has taken place?—It may be put in something like that way; but I do not think that was the immediate cause; I think that the insurance companies began to feel that the business was getting too large for them to control.

6191. Can you state on authority that this change arose from the insurance companies; was it not a Committee of the House of Commons?—Yes; but it was the insurance companies who moved the House of Commons in the matter, and I think the correspondence with the Home Secretary will satisfactorily explain that.

6192. You mean that they were ready for the improvement?—They were urging on the improvement; they were, in fact, guiding public opinion; after the great fire it began to be more immediately felt that the business was greater than they had any power to deal with; in fact, that the protection of London was simply the protection of the whole of London at the expense of the insurers of London; they always knew that, but they never felt it so strongly before; they had a sort of panic after the great fire, and they then pressed forward the subject.

6193. Mr. *Lusk.*] Before the Act of Parliament was passed, to whom did the engines belong?—To the insurance companies.

6194. And they paid the men?—Yes.

6195. It was entirely theirs?—Yes.

6196. And they could have suspended every one of the men in two hours, could they not?—Yes, if they had pleased.

6197. Lord *Richard Grosvenor.*] At question 48, Mr. Young says, "There has been a great deal of damage lately from the injudicious use of steam-engines; putting steamers at work where there should be hand-power; working with steam where they might work with a dummy off the main;" do you think that great damage has arisen from the injudicious use of steam-engines, or not?—I do not think it is stated in the reply where that has occurred; if it means in London it is most decidedly untrue; such a thing has not occurred; but there seems to be in the whole of that reply a most extraordinary confusion on the whole subject of getting water poured on to a fire. How the water is put on can make very little difference, provided there is a proper man in charge, whether it is turned on by hand, or whether it is turned on by its own gravitation, or whether orders are issued to a lot of men pumping at an engine. Orders are given by the person in charge of the brigade, to the person who is in charge of the water arrangements; he begins when he pleases, and stops when he pleases, and whether the water is thrown by steam or not, can make no difference.

6198. Have you ever had complaints of too much water being thrown on a fire, owing to the use of steam fire-engines?—Never in London, I think.

6199. Mr. *Kinnaird.*] The witness stated he thought that often the use of hand engines would be sufficient to put out certain fires, and that the hand engine was not much in use by the fire brigade, nor was it encouraged by them; do you approve of hand engines for small fires?—Decidedly.

6200. Do you use them constantly?—We use them chiefly in small fires.

6201. They are always there?—Yes, there is scarcely ever a fire without them.

6202. Your impression is that the other engines are not used when a hand engine would be sufficient?—No, that is not my impression; whatever a hand engine can do a steam engine can do better. Where a fire has been going on for a long time, although a hand engine may be of some use, it is more convenient to have a steam engine.

6203. *Chairman.*] Can you give the Committee the cost of working a hand engine for five minutes?—The steam engine costs almost nothing; a manual engine worked for five minutes costs the same as for one hour, namely, 28 *s.*

6204. Mr. *Kinnaird.*] The witness was recommending the small hand engine in many cases where a very small application of water would put out a fire, instead of those great steamers which pump out a large quantity of water, and destroy more goods than the fire itself would have done; was not that so?—I am sure that no person practically acquainted with the subject would say so; I believe that the men who are in charge, even when I am not present myself, know as much of that subject as any men in the world can do; in fact their chief rules are to get to work as quickly as possible, and to stop pouring on the water as quickly as possible.

6205. You say that there are no cases within your knowledge where there has been much property destroyed by this pouring on of the water, where a single manual could have put out the fire at the beginning?—No such case has ever occurred within my knowledge; damage by water undoubtedly may occur, but never where it can be avoided.

6206. Lord *Richard Grosvenor.*] Virtually, you have never had any complaint about too much damage having been done by water?—Virtually, never.

6207. Mr. *Kinnaird.*] Do you mean to say that no insurance company has ever complained of damage done by an over supply of water being thrown on the goods?—The insurance companies have never complained; they have perfect reliance on our knowledge of the subject. The nucleus of the present fire brigade was brought up under the instructions of those very companies, and consequently they know that part of the business very well.

6208. Lord *Richard Grosvenor.*] Mr. Young is not quite correct, at question 51, with regard to the number of men belonging to the fire brigade in London, is he?—No; and since the last day I was here, we have had another very large addition to our staff, and consequently my last reply must be altered; at that time we had 232 men, and at this moment we have 299.

6209. Mr. Alderman *Lusk.*] Have you taken over the whole of the fire escapes since that time?—Yes; we have taken over the whole of them.

6210. Was it on Friday last that you took them over?—Yes; we commenced on Monday.

6211. Mr.

6211. Mr. *Kinnaird.*] But if, in the space of a fortnight, you have added 160 men, does not that imply that you had a deficient number before?—No; because we were not then working the escapes.

6212. You have added this force for that purpose?—Yes, I mentioned that in order to show that the Metropolitan Board of Works are exceedingly energetic on the subject. On the first of this month, the whole of the fire escapes of London, the machines and the men, were entirely transferred to the Metropolitan Board of Works.

6213. At what cost will that be done?—The payment of those men will be out of the same fund as the fire brigade.

6214. That is a very large increase, is it not?—Yes; a very large increase to the staff, and a large increase, of course, to the expense; but a most important step in the consolidation of two bodies which should never have been separated.

6215. Then there was some room for improvement?—Two years ago there was decidedly very large room for improvement, or rather, I should say, for an increase; but we have made no alteration in any of the principles.

6216. I thought you said that taking in the fire escapes was an improvement?—Yes; decidedly an improvement.

6217. Mr. *Agar-Ellis.*] But still it comes under the head of an "addition" also?—Yes; but I quite agree that it is an improvement.

6218. Lord *Richard Grosvenor.*] At question 55, Mr. Young says "that the rewards paid to the turncocks are cut down;" is that the case?—The turncocks of the water companies have always received 2*s.* 6*d.* each from the fire brigade for their attendance, and they receive the same now; no such reward as that mentioned by Mr. Young has ever been paid or even suggested.

6219. Who paid that?—The fire brigade always, and they pay it still.

6220. Mr. *Kinnaird.*] The existing fire brigade, and not the companies?—The existing fire brigade; formerly the companies' fire brigade paid it.

6221. How are the turncocks' fees regulated?—We give 2*s.* 6*d.* to each of the two first turncocks, and we have always done the same thing for the last 30 years.

6222. Is it not part of their legitimate duty to be always present to turn on the water in case of fire?—I think so.

6223. Then why should they be paid for it; why should those men be paid a reward instead of discharging their duty as a duty?—I think it is a very inconvenient duty for them to perform; as a matter of principle, I do not suppose the fee could be well defended; but the men get very wet, and it was considered advisable to give them a little gratuity.

6224. Lord *Richard Grosvenor.*] At question 59, Mr. Young says, "There is an apology for a system of telegraphing; they telegraph from one station to another, but it does not work exactly; it did not seem what it ought to be, and I paid very little attention to it." I think that last sentence shows that he could not have understood it; but do you think that he has seen much of it?—I do not believe that he has the smallest knowledge of it; I speak now simply from reading his evidence. I do not believe that he has ever set his foot inside one of the stations belonging to the fire brigade. I do not deny that he or anybody else may walk in; but I do deny that he knows anything of it, and I think his evidence shows that.

6225. Mr. *Kinnaird.*] But you only deliver that as your opinion?—But I am the chief officer of the fire brigade, and I am in a position to know.

6226. But you cannot know how much he knows, can you?—But I have read his evidence.

6227. Lord *Richard Grosvenor.*] Would any of your men speak to Mr. Young, if he did go into one of the stations?—I do not believe that they would. I believe that he is a person who has made himself objectionable to our men.

6228. Mr. *Kinnaird.*] And would it have your sanction if they did not speak to him?—I should not wish them to do it if they did not wish it themselves.

6229. Do you think that is a proper spirit in which to manage the fire brigade?—Certainly.

6230. Mr. *Agar-Ellis.*] You do not encourage any men to come into your stations to talk to your men?—No; I consider that their stations are their clubs; but if they wish to have him or anyone else in, they are perfectly welcome; it is a question between him and them, and not a question between him and me.

6231. Mr. *Kinnaird.*] You say that you do not encourage strangers to come to your stations?—I never discourage them; on the contrary, I am only too happy that everyone should see what is going on; but I hold the senior responsible for the good management of the station, and if I gave orders to anyone to go in, I should be relieving the man of his responsibility, which is what I shall never do, and never have done.

6232. But you object to strangers interfering with the duties of the men?—Yes.

6233. And you think it inexpedient to have any strangers unnecessarily mixing themselves up with the matters of the fire brigade?—Decidedly, but not to their mixing with the men; they are on the most intimate terms with all their neighbours.

6234. That is your rule?—Certainly; there is the strictest possible discipline in the fire brigade, just as there is in the army or the navy.

6235. Lord *Richard Grosvenor.*] At question 100, I find that Mr. Young is asked, "Is it not the case that the inhabitants of a house are often very loth to let the firemen in?" and he replies, "They should have authority to go in; the public good should be paramount;" that is a thing which you yourself approve of, is it not?—Yes; the firemen most undoubtedly have authority to enter into and break through houses when they think proper to do so; the provisions of the 12th section of the 28th and 29th Vict. c. 60, are so plain on this subject that it is impossible for anyone to misunderstand them.

6236. Then at question 110, he is asked, "But every station can telegraph immediately they get information of a fire, to the central station, can they not?" and he answers, "I think they can do so by going upwards and backwards, but not direct;" is it not the case that the foremen at the stations do telegraph direct to the central station?—The foremen always telegraph.

6237. The district stations telegraph to their foremen?—Yes; they telegraph to their foremen, and the foremen telegraph to head quarters direct.

6238. Mr. *Kinnaird.*] How long has that system

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system been in perfect operation?—The principle has been adopted for four years.

6239. But I mean the working of it; how long has it been in perfect operation?—Since the end of 1863. Of course, I do not mean that it was then as complete as it is now; but it was then in perfect operation for the force which then existed.

6240. But you have made considerable additions and improvements since 1863, have you not?—We have made additions.

6241. And improvements?—In so far as additions may be considered improvements, but we have made no change in the principle. I took several years to consider the subject, before deciding to adopt the present principle.

6242. Lord *Richard Grosvenor.*] The present system of telegraphing is simply an extension of what existed before the taking over of the fire brigade by the Metropolitan Board of Works?—Yes; the Board have not materially altered any principle.

6243. Mr. *Kinnaird.*] How many districts have you added since the year 1863?—None.

6244. You have not added to the wires?—Yes, very largely; whenever a new station was established, we connected it with the foreman.

6245. But very numerous additions have been made to the stations?—Yes, very numerous additions, all within the last 18 months. I have presented the Committee with a map, which on the face of it explains the whole subject.

6246. Lord *Richard Grosvenor.*] The telegraph that you have now, is, in your opinion, the most efficient for fire alarms?—Clearly so.

6247. And the simplest?—And the simplest, undoubtedly.

6248. Is it your opinion that the system adopted in Paris is superior to ours?—There is no telegraph system in connection with the fire brigade in Paris.

6249. But I mean the whole fire brigade system?—I think the system in Paris is, for Paris purposes, superior to ours; but it would be extremely unsuitable for our purposes.

6250. Mr. *Kinnaird.*] In what does that superiority consist, which you attribute to Paris?—The enormous amount of money which they spend enables them to have a prevention service, which has never existed in London; and which I imagine the inhabitants of London would not tolerate. Looking at it, simply as a fire question, prevention is very useful, but in this country it would not be tolerated.

6251. But it never has been tried in this country?—Never, excepting in docks and warehouses; it has been done in Liverpool, and one or two other places, and certainly, from my point of view, it has had a most excellent effect.

6252. If it can be done in the docks at Liverpool, why not in the docks, and on the banks of the Thames?—In the docks of the Thames it is, to some extent, either done or attempted now; but in the wharf property, and the waterside warehouse property, generally, it has never been attempted.

6253. Lord *Richard Grosvenor.*] You have not shown the Committee on the map what stations have steam fire engines; have you any station which has more than one steam engine?—No, not one; I think the time may come when it will be desirable to have more than one steam fire engine at each station, but at present we have not.

6254. Have you any station where there is a steam engine, without a manual engine?—No, and we never had.

6255. The small hand engines are being increased every day, are they not?—They have been very much increased.

6256. Mr. *Kinnaird.*] Since when have they been increased?—During the last 18 months.

6257. Could you give the Committee any idea of that increase?—Yes; I have put in a table showing that.

6258. Lord *Richard Grosvenor.*] Had you ever more than one steam fire engine at Chandos-street?—Never.

6259. Or four at Watling-street?—No.

6260. With regard to question 133, do you think that the Superintendent in Paris told Mr. Young, that if he had only in Paris the supply of water that we have in London, he should not have such fires as we have?—I asked the gentleman who saw this witness, and he assured me positively that no such conversation had occurred.

6261. Mr. *Kinnaird.*] Have you not told us just now, that the prevention system in Paris is most efficacious?—Yes.

6262. May not that gentleman in Paris have alluded to that?—That is not in connection with this question, but with the water supply.

6263. Lord *Richard Grosvenor.*] Mr. Young was asked, "We have abundance of water in England have we not?" and he replied, "Yes, as a rule; the superintendent in Paris said to me, 'If we had only, in Paris, the supply of water that you have in London, we should not have such fires as we have;' I said in reply "and if we had you in London, along with all our water, we should not have such fires, '*Précisément*,' he said." Did Major de Dionne say that?—I read that question and answer to Major de Dionne in Paris, and asked him if this conversation had taken place, and he said most positively that this conversation had not occured at the interview.

6264. Mr. *Kinnaird.*] Did he say that he had never seen this witness?—No; on the contrary he stated that he had seen him.

6265. Have you never known a mistake in the reports of conversations when repeated?—Many; but I took the trouble to put this quite plainly to him.

6266. Did you give him the date and the time of the conversation happening?—Yes; I showed it to him.

6267. There is no date there, is there?—No; but this witness was only there on one occasion.

6268. Mr. *Agar-Ellis.*] There is no foundation for that statement, in fact?—So Major de Dionne told me; Major de Dionne wishes it denied and I give him an opportunity of doing so by saying this.

6269. Lord *Richard Grosvenor.*] In answer to Question 137, Mr. Young says with regard to firemen, "They are generally of that class of men who do not know anything, especially now when they are chiefly boys of 18 or 19." Can you tell the Committee at what age you take the men in?—My limit is 18 to 25; my desire is if possible to get boys of 18 or 19; but I seldom succeed, and I have a very small number of them.

6270. Are they a class of men who do not know anything about their duties?—No; on the contrary, I think they are particularly smart intelligent men, and if they were not I should not take them in.

6271. Mr.

6271. Mr. *Kinnaird.*] What is the difficulty in getting young men of 18 to join the fire brigade?—The difficulty of getting young men of 18, provided you have no test of character, education and so on, is nothing; but as we are particular whom we take, it is difficult to get young men who have served long enough at sea to be well trained at such an age, and consequently the great bulk of the men are taken at 24½ years.

6272. Do they pay sailors at that age better than the pay you give them?—No, I think not; but I have known sailors who were drawing higher pay, come to us because their prospects were better, or for other reasons, such as being married, or being tired of the sea.

6273. Lord *Richard Grosvenor.*] At Question 144, Mr. Young says, "When a place has been burnt down, they succeed in preventing the fire going anywhere else; but there is, in fact, a regular formula in every newspaper account of a fire, something like this:—'In spite of the strenuous exertions of the fire brigade, the progress of the devouring element was so rapid, that in a short time the premises had fallen a prey to the flames.'" Do you think it is the case that fires in London are not extinguished until the place is burnt down?—Certainly not; in London the majority of the fires are extinguished before anything more than merely nominal damage has been done.

6274. Mr. Young is asked at Question 145, "You think their use is limited to confining the fire to the building where it breaks out?" and he replies, "Yes, if it is a small house, but not if it is a dock or any large place;" do you think that you lose many docks and large warehouses?—No, very few.

6275. He says, at Question 157, "There is some instruction, but it does not seem to amount to much, because the men are so often changed;" is that the case?—No, our men are very carefully instructed; they learn every portion of their business, both theoretically and practically. I am quite certain of this, that the Metropolitan Fire Brigade at this moment takes more trouble to train and educate the men for their profession than any other fire brigade in the world, and I know a great deal of many other fire brigades.

6276. Mr. *Kinnaird.*] Are you still speaking of the last 18 months?—No; it was always so.

6277. Under the old system?—I believe so; yes, decidedly in my time.

6278. How long were you with the brigade under the old system?—Since 1861.

6279. Lord *Richard Grosvenor.*] With regard to Question 160, Mr. Young was asked "Do you think that the present fire brigade is not thoroughly instructed in its duties?" and he replied, "In the science of fire extinguishing, certainly not. If you look at the manual of the French brigade, I think you will see that we are a long way behind them." Is the fire brigade instructed in fire extinguishing as well as all the other duties of a fireman?—Most decidedly; but with great respect to the Committee, I protest against such a witness coming forward to give evidence upon the subject at all, because he has not applied to me, nor has he applied to anyone else to ascertain the facts, and he never had any means of acquiring knowledge on the subject. I believe that my mode of instruction is quite complete in every particular. I am in continual correspondence with other fire brigades; they all approve of what I have done, with scarcely any exception, and they all wish they had the means and the time, at their disposal, of doing the same. I think it is exceedingly hard on a public officer, who works as hard as I do, that uninformed witnesses like these, should come forward and make totally unfounded statements about the brigade.

6280. Mr. *Kinnaird.*] But do you not think that it is very desirable, if those opinions are floating in the public mind, that they should be stated, and that you should have an opportunity of contradicting them?—Yes, decidedly.

6281. And that if the public mind is misinformed (and many people have an idea that the brigade is not efficient), that that should come out in evidence?—Certainly.

6282. Lord *Richard Grosvenor.*] But do you think that the public mind is under any such impression?—No; I do not believe that anybody else in London could be got to make such statements on affairs which have attained so large an amount of publicity as ours.

6283. At Question 168, Mr. Young says, that the policemen do not give information of fires now as they used to do, and that they do not receive the rewards that they used to do?—The rewards are not altered at all, and they have not been altered for the last 30 years.

6284. Mr. *Kinnaird.*] There is no objection made by the heads of the police to the policemen being examined with regard to the causes of fires, is there?—I have never heard of such a case.

6285. Do they give you a report of what, in their opinion, are the causes of fires?—No; I think rather that we give them our report, but it is made up together; in fact we assist each other.

6286. Do you allow your men to give evidence on the causes of fires?—Yes, always, whenever we are asked; I make a formal report of it; I collect the evidence from the men myself.

6287. And the police?—When they can assist us.

6288. As a matter of course, does the policeman, being on the spot, draw up a report to you of what he believes to be the cause of the fire?—No; not to me. I believe he does it to his own officer; to me he does not. We have no absolute official connection with him.

6289. Have you no right to ask him for his report?—Perhaps not the right.

6290. But would it be objected to?—No; on the contrary, they are always too happy to assist us.

6291. Mr. *Agar-Ellis.*] You always work in perfect amity, I suppose?—Always; I believe a policeman would be severely punished for refusing his evidence.

6292. Lord *Richard Grosvenor.*] You were at the Crystal Palace fire, I believe?—Yes.

6293. Had you any boys there?—No.

6294. Mr. Young says in his evidence, at Question 179, "I was at the Crystal Palace fire, and I saw three or four boys, who were mere shrimps, hardly able to stand"; is that true?—No; every one of our men in the brigade has to pass before a surgeon, who has had 20 or 30 years' experience in the matter. We never take a man unless he is physically very sound. I presume that that evidence refers to a different class of men from the Fire Brigade men, whom the witness may not have known. But I defy any man to call our men shrimps.

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6295. Mr. *Kinnaird.*] I suppose at that fire there were numbers of men rendering assistance who had nothing to do with your brigade?—Yes; a number of them. There were more men not belonging to the fire brigade than there were belonging to it at that fire.

6296. Lord *Richard Grosvenor.*] There is a standard height, of course, for the fire brigade?—Yes; 5 ft. 5 in.

6297. At Question 184, Mr. Young says, "Technically, a fire is where it is through the roof, or affects the whole of the building"; is that the recognised expression in your profession?—There has never been such a definition as that; very large fires have occurred without going through the roof.

6298. Mr. *Kinnaird.*] Would you think that I was committing an impropriety if I said that a fire came through the roof?—No. But as applied by the witness, that expression would be absurd; the insinuation is simply this, that every fire is a total loss, for we conceive it to be the case that in nine cases out of ten there is a total loss when fire does go through the roof.

6299. Mr. *Agar-Ellis.*] The answer is "Technically, a fire is where it is through the roof," and the inference is that it is not a fire until it is through the roof?—Yes, and that therefore all our fires are total losses.

6300. Lord *Richard Grosvenor.*] Then at Question 228 he speaks of the telegraph system in France; but there are no fire telegraphs or watch-towers in Paris, you say?—None.

6301. You have mentioned that watch-towers are, practically, of very little use?—I conceive them to be founded on a very bad principle except when used as we use them here.

6302. At Question 239 Mr. Young was asked, "You think that the engines were quite as efficient under the charge of the insurance offices as they are now?" and he replied "Yes, and more so; in those days there was a reward; the engines went smarter, and put the fire out quicker; there was less fire damage." Is that the case?—Certainly not. I may state as a fact that the engines never went smarter, and never put out fires quicker, and that there was never less fire damage in London than there has been since the transfer of the brigade to the Metropolitan Board of Works.

6303. Mr. *Kinnaird.*] Have you not just said that within the last 18 months you have added enormously to your staff?—Yes.

6304. And consequently to the expense?—Yes.

6305. In fact you have almost an unlimited power of expenditure?—No, I have not said that.

6306. Is there any wonder that there should be an improvement under those circumstances?—Not at all.

6307. Lord *Richard Grosvenor.*] Do you not wish that your powers of expenditure were unlimited?—Unfortunately we have very small powers in the way of expenditure.

6308. Then again, at Question 240, Mr. Young is asked, "There has been an increase in the number of engines since they were put under the charge of the Metropolitan Board of Works, has there not?" and he replied, "Yes, there are a great many more engines, no doubt; but I cannot say that we are more efficiently protected, because they are all concentrated; they are not thrown over the metropolitan district." You have just said that the system is distribution, and not centralisation?—The system has been, from the first, distribution, and that fact has been published for years; of course you have to add to the force for the purpose of distribution. A reference to this table (*handing in a distribution table,* vide *Appendix*) will show the Committee at once that the force has been very fairly distributed, as far as it goes.

6309. With regard to the metropolitan and the volunteer brigade, do you think that the volunteers are prevented from coming to the fires because, as paid men, the brigade men have the monopoly?—No, it is quite the contrary.

6310. The brigade has no pecuniary interest in sending off the volunteers, has it?—Not the slightest.

6311. But if you have volunteers you are apt to have too many masters perhaps?—That might be so, but I have never had very much trouble with them; they may have had trouble with each other, and I have no doubt they have.

6312. Mr. *Turner.*] Where you have a regularly organised force, and that force is sufficient for all requirements, volunteers are rather a nuisance, than otherwise, I suppose?—They might be, but they have never been so in London yet.

6313. But if you have sufficient men you do not want anyone to volunteer, do you?—Certainly not; the work can be much better done by the men who are regularly paid for it.

6314. Mr. *Lusk.*] Taking the fire brigade as a whole, do you think that it is sufficient at present?—Not yet.

6315. You require more men, I suppose?—Yes; we require more men and stations, and those stations are now being built; the works are in rapid progress.

6316. Do you think that you have as many stations now in view as will be necessary for London?—Not exactly; but I think that we have now as many stations in progress as can be obtained by spending all the money with which the Board of Works are entrusted for the purpose.

6317. You are perfectly alive to the necessity of providing London thoroughly with all the materials necessary for extinguishing fires?—Yes; it is entirely a question of funds; I believe that the present funds are being spent in the most judicious manner possible, and that if this fund were increased by 50 per cent., London would have protection against fire far beyond what any other town has.

6318. Do you think it would pay as a matter of money, to have much increase of protective machinery?—I think so, up to about 75,000 *l.* a year; but beyond that I do not think it would pay at present.

6319. If you went beyond that, the remedy would be worse than the disease?—Yes; and that is a sum far less than many cities are spending.

6320. With regard to the flooding of the houses with water, who is the judge when to stop the water?—Whoever is the senior present.

6321. You always have a first-class man at a fire, I suppose?—Yes, there always is a responsible man at a fire; there is no portion of our business more thoroughly looked into than that, and I think that every person connected with insurance companies would confirm my statement.

6322. Mr. *Kinnaird.*] What rank does that man

man hold in the brigade?—Whoever may be the senior present is responsible.

6323. But what type of man is he?—"First class" signifies a particular rank, but he is always a first-rate man.

6324. Is he a man of many years' experience?—Yes; generally speaking, he is a man of at least four or five years' experience.

6325. And a man receiving more pay?—Yes.

6326. What is his designation?—That must depend on the men who are at the fire; but as a rule, there is an officer there, and an officer is always a man who has seen at least 10 years' service.

6327. Mr. *Lusk.*] My questions pointed to the officer or foreman who takes charge of the engines at a fire when you are not there yourself?—Yes. There is always a competent man who particularly understands that part of the business at every fire.

6328. Lord *Richard Grosvenor.*] I believe that at every station there is an engineer in charge, whose business it is to go out with the engine?—Yes.

6329. And it is his duty on receiving a call, to send that call to the foreman of the station?—Yes.

6330. And it is the foreman's duty to proceed to the fire at once?—Yes.

6331. He telegraphs to you, and if it is a fire of great magnitude, you go there?—Yes; he telegraphs his views of the fire, and I send him more help or stop it, according to the circumstances.

6332. Mr. *Kinnaird.*] No fire takes place without a staff, such as has been described by the honourable Member, being on the spot?—No fire takes place without a staff, such as the honourable Member described, being on the spot; but I wish to qualify that by saying that when the engine arrives, the man may not be a very senior officer, and if he sees that the fire requires no more help, he sends runners to one or two of the nearest stations to stop more help being sent on. In such a case as that, the foreman or the principal officer never sees the fire, except that he must go to take the whole of the particulars afterwards, probably in a cab. But in a very small fire, the officer never sees it while it is a fire, because frequently the first man either buckets it out, or stops it in some way.

6333. Mr. *Lusk.*] As a rule, you are yourself present at all large fires, are you not?—Yes, as a rule.

6334. Do you tell the men when to cease playing on the fire?—Yes.

6335. Or else there is some capable man there to see and prevent the premises being flooded?—Yes, there is no exception; there is always a powerful staff present, and an officer; sometimes as many as 20 men.

6336. You have always a trustworthy man there to say when to stop playing, and when to go on?—Most decidedly.

6337. What is the nature of the French preventive measures?—In all public establishments in France, it is the law to have a certain number of men belonging to the *Sapeurs Pompiers* present to stop any dangerous proceedings that may be going on. They are distributed all over Paris in such a way as to form a watch or prevention service; it is entirely a question of money; in Paris it costs 100,000 *l.* to do that, but in London it would cost nearly 1,000,000 *l.*, I suppose.

6338. Lord *Richard Grosvenor.*] Have you read Mr. Becker's evidence?—Yes.

6339. Do you agree with it?—No; I disagree with it *in toto;* I must say that I am astonished at the extraordinary number and extent of his mis-statements.

I wish to hand in a table of the known and unknown causes of London fires for the past 34 years (*handing in the same,* vide *Appendix*).—Here is another table—(vide *Appendix*),—for which I have collected the material over a quarter of a century. The question having been raised whether the number of fires bore any traceable relation to the prosperity or adversity of the country, I have taken the number of fires in each year, and the number of inhabitants in the town; and as to the question of prosperity or adversity, I have taken the usual test gathered from the registers of births, deaths, and marriages.

6340. Mr. *Kinnaird.*] Can you give the Committee the deduction from that table?—The deduction I make is simply this, that to generalise in any way about fires happening more in years of prosperity or adversity is an entire mistake.

6341. *Chairman.*] You speak of London alone?—Yes; I would not rely on the table beyond a certain extent, but it may be taken as a basis of calculation; there is no reason to believe that fires have either increased in the adversity of London, or that they have decreased in the prosperity of London, or indeed that such facts have anything to do with it.

6342. Mr. *Lusk.*] You can, by those tables, arrive at a general average, I suppose?—Certainly; of the number of fires in the year 1860, the heavy fires were about 40 per cent., and the light fires about 60 per cent.; at the present moment the heavy fires are 25 per cent., and the light fires 75 per cent.; I think that will satisfy the Committee that within the last few years very important steps have been taken in respect of the fire protection of London.

6343. I think you have stated that the number of fires has decreased in London?—Yes, they have decreased last year very considerably in destructiveness.

6344. *Chairman.*] It is only last year that they have decreased, is it?—Last year there was a very important decrease in the number of destructive fires; for three or four years, since the introduction of the improved apparatus, it is undoubted that there has been a large decrease in the number of destructive fires.

6345. Is there anything that you would wish to add to your evidence?—No; I think not.

Mr. Robert Hesketh, called in; and Examined.

6346. *Chairman.*] You are a Surveyor in London, I believe?—I am.

6347. Are you an Architect also?—Yes.

6348. You are employed by one of the insurance companies, are you not?—I am surveyor to the London Assurance Corporation.

6349. Have you held that office long?—About 10 years.

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6350. You are surveyor also under the Metropolitan Building Act, are you not?—Yes; I have been 25 years surveyor under the Metropolitan Building Acts.

6351. I believe that you are prepared to give the Committee some suggestions with regard to improvements in that Act of Parliament?—Yes.

6352. Have you known any instances in which the Metropolitan Building Act has failed?—I think it failed to a certain extent with regard to the large fire which took place in Tooley-street.

6353. In what respects do you think it failed?—It failed in a measure in respect of the windows of the different warehouses admitting the fire from the opposite warehouses; across some passages about 25 or 30 feet wide between the warehouses, where opposite buildings overlapped one another.

6354. But that was not the fault of the Act, was it?—It was from a defect in the provisions of the Act, which the fire offices have endeavoured to obviate.

6355. You think that the distance between the warehouses should be very much increased?—No; but I think that some protection to the windows should be adopted.

6356. Suppose you had some inflammable material stored in the warehouses opposite to where the fire was; the flames overlapping, might heat the building in which those materials were stored, and so cause an explosion, might they not?—Yes; but external iron shutters would almost entirely prevent that, unless they were so close as to heat the shutters red hot, which is very unlikely.

6357. With such a great conflagration as that which took place in Tooley-street, it would not be very difficult to make a shutter red-hot, at even a distance of 30 feet, would it?—I am almost certain that it would not get red-hot, even under those circumstances; it would be a very great advantage to have iron-shutters outside buildings in certain cases.

6358. The present Metropolitan Building Act insists for iron-doors being in the partition walls, does not it?—Yes, and they have stood considerable fires; but in that fire they were defective; there were some of the iron doors that had entirely fallen off their hinges, and the openings were left clear; I think that what the fire offices have adopted now ought to be adopted instead; that is to say, to provide a fire-proof space across which communication could be made.

6359. How is that done?—It might be a staircase of fire-proof material, on each side of which there might be an opening; it might be about seven feet wide, say, with an iron door on each side; then if a fire took place in one warehouse it might burn down the door of that warehouse, but it would not reach across the seven feet space, and burn through the door opposite, for the heat would not be great enough.

6360. You suggest that warehouses in fact should be made smaller?—No; I propose to keep to the same division of 216,000 cubic feet for each compartment; I see no occasion for altering that; it would be a very great injury to property to make the compartments smaller, but the division between them should be more complete. There should be a space with a wall on each side wherever a communication is made between two compartments.

6361. You would have double walls?—Yes, double walls, with a space of six or seven feet between, and a staircase is a very convenient mode of getting that, for it is an access to both warehouses.

6362. You would propose that the staircase should run up between the two walls, and you would have iron doors on each wall?—Yes; a staircase or open space.

6363. Lord *Richard Grosvenor.*] But is it not a far safer plan to have the staircase quite detached from the building?—I do not think there could be greater safety. If anything it might be more safe; but I doubt whether there could be any fire across such a fire-proof space with the openings limited.

6364. *Chairman.*] But the doors should be always closed, of course?—I think that the warehousemen very seldom fail to keep their doors shut. I know that they are very particular, though it happened that one door was left open on the occasion of the fire I have alluded to.

6365. Lord *Richard Grosvenor.*] I think you stated that the stairs should be built of incombustible material, did you include stone in that?—Yes, stone would do for that; it would not increase the fire.

6366. But it is easily splintered by heat, and that would make the access difficult?—Yes; but I am not looking to the access; I am looking to cutting off the progress of the fire. I think that some other material might be better for the purpose of maintaining access, and perhaps even wood would be better than stone, looking to that purpose only.

6367. *Chairman.*] Is there any improvement which you could suggest with regard to that provision in the Metropolitan Building Act as to the size of the compartments?—Yes, there is a clause that admits of a great deal of doubt, which the magistrates have generally interpreted in favour of the defendant; that is to say, divisions are allowed to be made by what they call fire-proof floors. Now, I believe that those fire-proof floors, at their best construction, are worse than wooden floors, if pugged between. In the case of Hayes' Wharf, every one of them fell in, and that was in a building of 500,000 or 600,000 cubic feet. I took that case before the magistrate, and he considered that the horizontal divisions were according to the Building Act.

6368. Lord *Richard Grosvenor.*] Of what were those floors constructed?—Cast-iron girders and brick arches. The girders were about 13 feet apart, and there were nine-inch brick arches.

6369. The result of the fire was, that the cast-iron split?—Yes, it was perfectly useless.

6370. I suppose that an oak beam would have been far preferable?—Yes, or better still a pugged floor, or a ceiling (which, of course, would not do in warehouses); but pugging is actually introduced in very few warehouses.

6371. *Chairman.*] What improvement would you recommend with regard to dwelling-houses and shops?—I think that the internal divisions of the houses ought to be more fireproof. There is a system which builders cannot avoid, owing to competition, of making the interior divisions of quarter partitions; that is to say, hollow partitions of wooden uprights, lathed across, and then plastered outside, so that the spaces between those wooden quarters become, when a house is on fire, so many flues, and carry the fire suddenly into the different parts.

6372. You would recommend brick partitions?

—I think so; it would not be a great expense; but of course, so long as there is no compulsion, it will be difficult to obtain them, owing to competition.

6373. What is your opinion of stone staircases in houses, with regard to fires?—I do not think they are so good even as wooden staircases with plaster soffits. A plaster ceiling is very seldom perforated by the flames.

6374. But suppose a fire took hold of the wooden stairs, it would rush up, would it not, and prevent egress?—I do not think that stone would be more serviceable; after considerable fires, I have seen wooden staircases still standing.

6375. But have you seen instances where stone staircases have not been standing?—Yes; I have seen instances of that.

6376. Where they have cracked and fallen down?—Yes, they are as bad, if not more so than wood; after a fire, unless a house is gutted, I can generally get up wooden stairs, if ceiled underneath, at all events, until I get near the top.

6377. What, in your opinion, would be the effect upon the increase of fires in the country, if we had our houses more substantially erected; do you think that incendiarism would be attempted so often?—In London I think it would not. I scarcely know enough of the incendiary fires in the country to give an opinion.

6378. Do you think that there is much incendiarism in London?—I think there is a good deal of it. I know many instances as to which I have no doubt. But I doubt whether all the cases that are set down to incendiarism, ought to be set down to that cause; indeed, I think the contrary.

6379. But do you think if those people who are rather given to set their houses on fire knew that the houses would not be so easily burnt down, incendiary fires would be so often attempted?—No. I think they would be afraid of so much of the house remaining as to give a clue to the origin of the fire.

6380. With regard to fire-places and flues in new houses, are they often placed in such a way as to be dangerous to the building?—No; I think that in general the flues in new houses are properly constructed, and they create very little danger. There is one thing that is allowed in the Act which is dangerous, but which is very little taken advantage of; and that is, that in the internal walls, it allows half-brick or 4½-inch backs to the fire-places, which is decidedly dangerous.

6381. You think that that is too little?—Yes; I think they ought to be nine inches.

6382. The length of a brick?—Yes; in some cases builders build up their chimney backs properly, and afterwards they are cut away when the stoves are being set.

6383. Would it be any advantage to mark where there are flues or fireplaces, so as to prevent the misplacing of timber near them in any alterations?—Yes, as it was in the 14th of George the Third.

6384. Is not that provision in the present Metropolitan Building Act?—No.

6385. Do you think that that provision should be made in any new Bill introduced into Parliament?—Decidedly.

6386. Are you aware of any fires having taken place from carelessness in driving plugs into the walls?—I think they very seldom cause fires, but they often allow the smoke to pass out; but workmen often cut into walls near the flues, and insert timber perhaps, without knowing that the flue is near.

6387. You think that if the wall of the flue were made thicker there would be less risk of fire from the timber being placed too near it?—They ought not to be allowed to cut into the brickwork of a flue at all for that purpose.

6388. You think that no timber should be placed nearer than nine inches to the inside of the flue?—Twelve inches would be better for timbers placed in the brickwork.

6389. Have you found that fires very often originate from alterations which have been made in buildings erected some years before?—I think that is generally the cause when the cause is structural.

6390. Will you mention to the Committee some alterations of that kind which have caused such fires?—One cause is the erection of new flues. After a building has been completed some few years, perhaps they want to erect a new flue, and it is a very difficult piece of construction to do properly. The present Act of Parliament is very doubtful on that point. It says that a new withe shall be constructed at the back; but we have not been able to obtain a judgment as to what the meaning of that is; whether you may build it directly against the wall or not; but in any case the settlement of the new brickwork is apt to cause faults in the flue.

6391. Then with regard to metal pipes, have you heard of any fires arising from the insertion of those pipes?—No, but from carrying them too near to woodwork, and then if they keep them away from the woodwork, they are apt to stow combustible materials near them.

6392. How close have you found the wood to be when it took fire from those metal pipes?—That I could not say; we generally keep the wood of the building away, but they stow the articles close by. I think the present distance of nine inches is generally sufficient, but 12 inches would perhaps be better.

6393. There is a practice lately of having sunburners in the ceilings of old houses; have you ever known a fire originate from that cause?—Yes; many fires have originated from that cause, where the flues have been carried through the floors; they have had to be carried through in the limited thickness of the wooden floor; and it is very difficult to keep them far enough away from the joists of the floor; and if they are so, and a slate cover put over them, they are liable to communicate fire to furniture in the room. There is an immense heat arising from sunburners. When they are carried directly through the roof they are almost always safe.

6394. Have you ever known cases of fire arising from the setting of stoves?—Yes; when the stoves are set carelessly, and also more than that from cutting away the chimney backs (and workmen are very apt to do that, because they find that they have not depth enough for the stoves), they cut away the brickwork, and leave only four inches in thickness at the back; and what remains is very much shaken.

6395. The Committee have had it in evidence that sometimes one flue is used for two fire-places?—Yes; and that is one very great cause of fire, and also the making use of an upper part of a flue for a fire, which gives rise to the same thing. Suppose the lower fire-place is closed up, and the flue is used for a new fire-place above, the soot is

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liable to accumulate in the lower one, and catch fire. Fires often arise from that cause.

6396. Is it not the duty of the surveyor, under the Metropolitan Building Act, to look into those matters?—So far as the Act goes, it is; but we could not prevent one flue being used for two fire-places; that would be in accordance with the Act.

6397. But you think that that should be prevented in any new Building Act, do you not?—Certainly; it is a very dangerous thing.

6398. Then would you inflict a penalty upon any one who would do that?—I do not know of any case in which the penalties that are already in the Act have been enforced; they seem to be almost a dead letter.

6399. For what reason are they almost a dead letter?—I think it is so difficult to find out who is the author of the infringement in cases of small alterations to flues and chimneys.

6400. What you want is to make the builder responsible, I presume?—If you make the builder alone responsible, the difficulty is to fix upon the builder; I think it is necessary to make the owner responsible, at all events, unless he has got a responsible builder; we have to deal with journeymen, and men of straw, from whom, if you get a conviction, it is impossible to get any amendment of the irregularity. I had a case in which I convicted a man who called himself a builder, and the magistrate was going to commit him, but he hesitated upon the man saying that he would not be allowed to go into the building to remedy it, and the magistrate asked me what would be the result of sending the man to prison. I said I did not know; he then said that he could not commit the man, because he did not see that the man had the power of remedying the evil.

6401. Now, with regard to the flues used for manufacturing purposes; do you find that they are generally carelessly built?—No, not in the first building; but they are almost constantly altering them, and if they want to clear them out they open them and cover them up again; they are constantly dealing with them in various ways, and I cannot see my way to a remedy.

6402. But, in those alterations, do they generally come nearer to the timber in the adjoining building?—They do sometimes; but there are often combustible materials used within the building, for drying, as in the japanning process, they have wooden frames, and they catch fire; in some of the drying places they use coke fires, and they often have wooden joists or frames immediately over them, and the immense heat from them often sets the drying houses on fire.

6403. I suppose there is nothing which you can suggest for preventing those fires, except more care on the part of the manufacturers themselves?—No; they are much more careful than they used to be in my district.

6404. Are there fewer fires, do you think?—Much fewer.

6405. With regard to the fire brigade do you think when a fire takes place in a manufactory that they often put too much water on the goods?—I think not; I think they are very careful in the use of water, but that is not within my province.

6406. Lord *Richard Grosvenor.*] Do you find that the builder's work is inferior to what it used to be some years ago?—No; I do not at all.

6407. You do not think that the tendency to scamping is greater than it used to be?—No; not in general; I should say that it was better in many respects.

6408. Do you think that the mortar is as carefully made as it used to be, say 50 or 100 years ago?—No; I think the mortar for speculative buildings is not so good as it used to be then.

6409. Are the bricks inferior?—I think not; I think that the bricks are decidedly better than they used to be in former times.

6410. Would you suggest that those fire-proof floors should be introduced into every dwelling house in London?—No; I do not think we could have them in every dwelling house; I was speaking of warehouses in that case.

6411. But you suggested pugging, I think?—Yes; that would be a great advantage, but we must not run the builder up to too great an expense, especially in small houses, which are a class of buildings that have immensely improved of late.

6412. Do you think it would be of importance to have fire-proof floors in buildings that are built for lodging-houses?—Yes; I think it would, if they were buildings of any considerable size.

6413. I mean lodging-houses for the working classes?—Yes; I think those buildings ought to be fire-proof.

6414. Where there is a large body of men sleeping together, of course there must be greater risk from fire?—Yes; it would be very desirable to make those buildings fire-proof; I know of one case where the consequences would be frightful if there were a fire, where there are hundreds sleeping during the winter months every night.

6415. Mr. *Agar-Ellis.*] With regard to the difficulty which you have under the present Building Act in fixing the liability, I understand you to suggest that the owner should be liable?—Yes.

6416. Why not the builder?—Because the builder is defined to be any one who does the work; you must not look upon the owner as necessarily a great man; but an owner or occupier may employ somebody who is not really a builder, because he wants to scamp the work, or to do something contrary to the Building Act. He employs a man of straw or a journeyman; and he is not even bound to give the district surveyor notice who it is that he employs, and if asked who did the work, the owner might decline to answer.

6417. But if you made the builder liable, that would do away with scamping, would it not?—No; because we cannot find him; the magistrate says, "You have not proved that this man is the builder."

6418. Might it not meet the difficulty to make the owner liable if the builder could not be found?—No; it is difficult to prove that the builder cannot be found. If the word "builder" were used as we generally understand it, it would do to make him alone responsible, but a journeyman or labourer might be a "builder" within the meaning of the Act, and would not be a proper person to be responsible alone.

6419. But might you not frame a clause in such a way as to do away with the spurious builder, and make it essential that the man who was the builder should do the work?—But there is nothing to define what a builder is; a journeyman may be a builder, and very often he writes that up over his door.

6420. Still, do you not think that if you could define

define the word "builder," that he would be the right person to be made liable for any deficiency in the building of a house or warehouse?—I cannot see how you could define it; there are constantly journeymen who do building work, and it would be perhaps thought hard to exclude them from becoming master builders if they pleased.

6421. But do you agree that the person who ought to be liable to a penalty if the building is not properly built, is the constructor of the building?—Certainly.

6422. Do you think that if you could describe the constructor of the building so as to take in the journeyman or the master builder, he would be the right person to make liable?—There are a great many practical objections to that; a journeyman is employed perhaps in all parts of London, and if you know his name, you often cannot get his address; he may not be in the country even. I had one case in which a man had gone off to Russia; that was a warehouse which had the whole of the side enclosed with wood in a very dangerous manner, and I never could get any remedy, simply because he was a man of no position, and because he had gone abroad.

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6423. But if you came down on the owner, and decided that, if the builder could not be found, the owner should be liable, would not that compel the owner to insist upon fixing the builder?—I think so in many cases; but it would not be a complete remedy unless the owner were made liable also.

6424. Whichever way you look at it, you prefer that the owner should be made liable, even if you could always be certain of getting hold of the builder?—Yes; simply because the builder, as I have already stated, is so often a journeyman or a man of straw, who cannot bear the penalties of the Act, or carry out the remedy, if convicted.

6425. *Chairman.*] Have you anything to add to your evidence?—No.

Mr. Frederick William Huhn, called in; and Examined.

6426. *Chairman.*] You are from Russia, I believe?—I am.

6427. What is your profession?—I am agent for insurance companies.

6428. Are you agent for any particular insurance company?—I represent two companies, the Queen and the Commercial Union.

6429. Do those insurance companies transact business in St. Petersburg?—Yes.

6430. Do they also transact business in any other part of Russia?—Yes, in all Russia.

6431. And do you act as surveyor for those offices as well as agent?—I do.

6432. Can you inform the Committee whether there has been any increase of fires lately in St. Petersburg?—No, they have become less.

6433. Can you tell us what means they adopt for finding out the causes of fire in Russia?—A strict examination is at once made through the police.

6434. Is that done in public or in private?—It is first done privately and then publicly.

6435. Is it always done in that way?—Formerly it was always secret, but for some years it has been public.

6436. Is the evidence taken on oath?—Not always, only in some cases.

6437. In what cases is the evidence taken on oath?—When there is any special inference that the fire has occurred through incendiarism, the man is placed on oath, and a strict investigation is followed out.

6438. That investigation is conducted by the police magistrate, I suppose?—Yes; first through the police, and then afterwards through the courts of law; there are gentlemen appointed who make those examinations.

6439. Are you aware that in America there are certain gentlemen appointed to investigate into the causes of fire, called fire marshals?—I am not aware of that.

6440. Those gentlemen in Russia who conduct the investigations of fires, are appointed specially for the purpose, are they?—Their functions are principally in criminal cases, where the fires are believed to have been wilfully made; but as every fire may possibly be traced to a crime, every fire is legally examined by the police.

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6441. Those gentlemen are in fact criminal magistrates for investigating into all crimes?—If there is not any crime about it, the police decide upon it; but if there be anything wrong, it is handed over to the criminal court, and when it is once handed over to the criminal court, the police have nothing further to do with it.

6442. Mr. *Agar-Ellis.*] Do you mean an ordinary criminal court?—Yes; directly a fire takes place, it is always placed under the superintendence of the police, and the police make inquiries, to see how it has arisen, and if there be anything suspicious about it, it is handed over to the criminal court.

6443. But what is the court; is it an ordinary criminal court?—It is a criminal court specially appointed.

6444. It is not like our police court?—No; it is different; they call them criminal judges.

6445. Are they courts for all kinds of crimes, or only for cases of fire?—It is a general criminal court.

6446. Lord *Richard Grosvenor.*] Do they have a jury or not?—There is only one judge in each court; they are in different parts of the town; there are several of them in different parts of the city.

6447. There is no jury?—There is no jury.

6448. Do the police give a certificate of the cause of the fire, after they have made their investigation?—Yes, always.

6449. *Chairman.*] Are the claims paid by the insurance companies, if the person on whose premises the fire takes place is insured, before that certificate is obtained from the police?—Under no circumstances.

6450. You have stated that formerly the investigation was carried on privately, and that now, in suspicious cases, it is carried on publicly; has that change of method had any effect in reducing the number of fires?—It has only been in force for one year, but as an insurance agent I should certainly say that it has had some good effect.

6451. The Committee have had it in evidence that in some parts of the Continent, before the insurance company sign a policy, the police in-

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vestigate into the moral character of the assurer; is that the case in Russia?—That is a matter for the agents; the police never do it in Russia.

6452. Have you never heard of its being done in Hamburgh?—Never.

6453. Lord *Richard Grosvenor.*] Is much property insured in Russia?—No; hardly a tenth part of its value is insured, that is, of moveable property.

6454. You are speaking merely of St. Petersburg, I suppose?—No, generally of Russia; in St. Petersburg most of the property is insured.

6455. Are there some very heavy fires that take place in St. Petersburg?—Yes, there have been.

6456. Mr. *Kinnaird.*] Do the insurance companies insure the dwellings of the peasants at all, in the interior?—No; they are insured in the mutual companies of the country. They are very small insurances indeed. If one of those cottages be worth 1,000 roubles, it is insured for 25, or at the outside 50 roubles.

6457. What is the reason of that?—It is done by the Government, in a kind of mutual company, where all those peasants can insure. It is done by the Government, merely for the benefit of the people.

6458. When you say "mutual," you mean it is, in fact, an insurance carried on by the Government for the benefit of the poor people?—Yes.

6459. *Chairman.*] In Mr. Jansen's evidence, at Question 523, he says, "In some districts they are very strict, and every insurance agent must bring the policy to a magistrate, or a certain person who is appointed to make those inquiries, to get it inspected; and if the party finds that he has insured too much, he has to pay a fine;" does that practice prevail in Russia?—Certainly not.

6460. Is the insurance business a profitable one in Russia?—In the last year and a half it has been.

6461. But not previously to the last year and a half?—Say three or four years.

6462. Have you much incendiarism in Russia?—No; we used to have, by the Poles.

6463. Lord *Richard Grosvenor.*] Those were malicious fires, not fraudulent?—Just so; they were done by the discontented Poles.

6464. Mr. *Turner.*] They were not fires for the purpose of gain?—No.

6465. *Chairman.*] What means do you adopt in St. Petersburg for extinguishing fires?—Every part of the town is divided into certain police districts, and those parts of the town are again divided into quarters, and every part of the town has a fire engine station, which has a special house for itself, that is under the regulation of one principal. In St. Petersburg and in Moscow, besides those principal persons, there is one principal besides, and in some of the cities those principals are under the orders of the police.

6466. Do you mean the police magistrate?—The principal of the police in that part of the town. In each part of the town the fire engine establishment consists of from 30 to 50 people with 20 or 30 houses and all the necessary water apparatus. The building in which all this is contained has a very high tower attached to it, and on this tower there are two men walking about incessantly night and day, and directly they see that a fire has commenced there is communication made by a bell at the bottom of the tower, and instantly they run up signals on a flag. Those signals show in what part of the town the fire is, so that the engine people can at once go to the place where the fire really exists.

6467. Have you any telegraphic communication between the stations?—In St. Petersburg and Moscow there is. In all the other stations when a fire takes place they describe the different parts of the town by sending up balls on a pole, so that if the fireman hears the alarm of fire he looks at the tower, and sees one or more balls, which tell him what part of the town the fire is in.

6468. Is the alarm given by a gun?—The man at the top rings the bell, and the person underneath orders the people to get ready to go.

6469. The fires are generally very disastrous in Russia, are they not?—Yes, in the wooden parts of the towns.

6470. Mr. *Agar-Ellis.*] You have stated that a great portion of the property in St. Petersburg is insured, is it the same in Moscow?—No; what I meant to say was this, that I do not consider one-tenth of the property is insured, but in St. Petersburg there is more insured in proportion, than in any other part of Russia.

6471. Do you know how many men there are in the fire brigade in St. Petersburg?—There are 13 stations; it would be 500 or 600 men. Altogether, I dare say you might put it at 800 men.

6472. Are there any steam fire engines in St. Petersburg?—Yes.

6473. Do you know how many there are?—There are three belonging to the Government, but there are several private ones.

6474. Mr. *Kinnaird.*] Do they still confiscate, for the use of the fire engines, horses that run over people, or commit any excess?—That was formerly the case, but not now.

6475. Do you think that the Fire Brigade, and the whole system for the extinction of fires, is as well managed as it could be?—At the present moment the apparatus is rather defective, but it is being gradually improved; there has been a large grant made by the Government to make the system more effective, and when it is all in working order it will be as perfect as it can be.

6476. *Chairman.*] Have you any Russian fire insurance offices?—Yes; there is the First Russian Company, the Salamander Insurance Company, the Second Russian Company, the Petersburg Insurance Company, and the Moscow Insurance Company.

6477. Do those companies extend their operations over all Russia?—Yes.

6478. They have their head-quarters in St. Petersburg and in Moscow, I suppose?—Yes.

6479. Do they transact business on the same terms as you do for the English companies?—Yes, the premiums are quite the same.

6480. Is there anything that you wish to add to your evidence?—No, but I shall be happy to give every information required.

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APPENDIX.

Appendix, No. 1.

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TABLE showing the Increase of Fires upon the Population and Number of Houses for the Years 1852 and 1862.

1852.—Population, 2,362,236.—Fires, 923.

There was one fire for every 2,559 persons, according to the number of persons shown by the Census of 1851.

1852.—Houses, 327,391.—Fires, 923.

There was one fire for every 354 houses, according to the number of houses shown by the Census of 1851.

1862.—Population, 2,803,989.—Fires, 1,303.

There was one fire for every 2,152 persons, according to the number of persons shown by the Census of 1861; being an increase of nearly one-fifth.

1862.—Houses, 379,222.—Fires, 1,303.

There was one fire for every 291 houses, according to the number of houses shown by the Census of 1861; being an increase of over one-fourth.

This refers to London only.

W. Swanton.

PROPORTION of Fires to the Population, and Number of Houses for the Years 1852 and 1862.

In 1852 there was one fire for every 2,559 persons, as shown by the Census of 1851.

In 1862 there was one fire for every 2,151 persons, as shown by the Census of 1861, showing an increase of over one-fifth.

In 1852 there was one fire for every 354 houses, as shown by the Census of 1851.

In 1862 there was one fire for every 291 houses, as shown by the Census of 1861, showing an increase of nearly one-fifth.

App. No. 1.

ABSTRACT of Fires, Unknown Causes, and Per-centage of Doubtful and Incendiary Fires, for the following Years:—

	1852.	1853.	1862.	1863.	1864.	1865.	1866.
Total Fires - - -	923	900	1,303	1,404	1,487	1,502	1,338
Unknowns - - -	311	319	494	487	474	606	589
Proportion of ditto to Number of Fires - - -	33¾	35½	37⅞	35	31½	40	44
Doubtful and Incendiary -	7	5	13	14	23	12	11
Proportion to unknowns -	2¼	1½	2¾	2¾	4¾	2	1¾

Though there is a slight diminution in the number of doubtful and incendiary fires, as reported for the last two years, there is a great increase in the number of unknown causes. I quite believe that many of these unknowns are doubtful and very suspicious, though at the time not thought so.

It is remarkable that for the last two years the number of unknowns have increased over 10 per cent.; and when I stated the number of unsatisfactory fires last year to be 700, I meant by that, that though the unknowns and incendiaries are recorded at 600 together, at least 100 others, though accounted for by the insured, were to us unsatisfactory fires.

W. Swanton,
Salvage Corps.

Appendix, No. 2.

PAPERS handed in by Mr. *S. Low*, 9 May 1867.

PLAIN DIRECTIONS for aiding Endangered Persons to Escape from Buildings on Fire, Avoiding Accidents, and Treatment of Injuries. App. No. 2.

The want of coolness and presence of mind at the time of an alarm of fire is by far the greatest hindrance to an escape, and for this no regulation can be laid down; but a few simple directions, to be observed by the bystanders and inmates, well considered and reflected upon in time of safety, will, in a great measure, tend to discreet and successful efforts in the hour of danger.

For Bystanders.

1. Immediately on the fire being discovered, give an alarm to the nearest of the Royal Society's fire-escape stations, not delaying an instant; do not wait "to see if it is wanted." Life is more precious than property, and events have too often proved how fatal even a moment's hesitation is in sending for the fire escape. It is the fire-escape conductor's duty to proceed to the place of alarm immediately. The society remunerates persons calling and assisting the escapes, according to the following scale:

	s.	*d.*
To the person giving the call at a fire-escape station, whereby the conductor is enabled to save life (persons calling to assist the conductor) - - - -	5	–
If it enables the conductor to arrive before an engine - -	2	6
If after an engine - - -	1	6
To the second and third persons assisting the conductor, each -	1	–

2. In the absence of a fire escape, or pending its arrival, ladders and ropes should be sought for. Two constables, or other qualified persons, should ascend to the roof through the adjoining houses. The most efficient assistance can sometimes be rendered by an entrance to the upper part of the house on fire, either by the attic windows, the loft door, or by removing the tiles; or sometimes the aid of one end of a rope (knotted) might be afforded from the adjoining window, which being passed by the person in danger round some article in the room, he could lower himself or others into the street, the other end of the rope being controlled, of course, by those rendering the aid from the adjoining house.

3. In a narrow street or court, assistance may be given from the windows of the opposite house, particularly by a ladder placed across the street from window to window.

4. When no other means present themselves, the bystanders had better collect bedding at hand, in case the inmates throw themselves from the windows; a blanket or carpet, held stretched out by several persons, will serve the purpose. The society's fire-escape conductors carry jumping-sheets with them for use upon emergency.

5. Do not give vent to the fire by breaking into the house unnecessarily from without, or, if an inmate, by opening doors or windows; make a point of shutting every door after you as you go through the house.

For Inmates.

1. Every householder should make each person in his house acquainted with the best means of escape, whether the fire breaks out at the top or at the bottom; provide fire-guards for use in every room where there is a fire, and let it be a rule of the household not to rake out a fire before retiring for the night, but to leave the guard on. In securing the street-door and lower windows for the night, avoid complicated fastenings, or impediments to an immediate outlet in case of fire. Descriptions and drawings of fire escapes, for keeping in dwelling houses, may be seen upon application at the office of the "Royal Society for the Protection of Life from Fire," 59, Ludgate-hill.

2. Inmates at the first alarm, should endeavour calmly to reflect what means of escape there are in the house: if in bed at the time, wrap themselves in a blanket or bedside carpet; open neither windows nor doors more than necessary; shut every door after them. (This is most important to observe.)

3. In the midst of smoke it is comparatively clear towards the ground, consequently progress through smoke can be made on the hands and knees. A silk handkerchief, worsted stocking, or other flannel substance, wetted and drawn over the face, permits free breathing, and excludes, to a great extent, the smoke from the lungs. A wet sponge is alike efficacious.

4. In the event of being unable to escape either by the street-door or roof, the persons in danger should immediately make their way to a front-room window, taking care to close the door after them, and those who have the charge of the household, should ascertain that every individual is there assembled.

App. No. 2.

5. Persons thus circumstanced, are entreated not to precipitate themselves from the window while there remains the least probability of assistance; and even in the last extremity, a plain rope is invaluable, or recourse may be had to joining sheets or blankets together, fastening one end round a bedpost, or other furniture. This will enable one person to lower all the other separately, and the last may let himself down with comparatively little risk: select a window over the doorway rather than over the area.

6. Do not give vent to the fire by breaking into the house unnecessarily from without, or, if an inmate, by opening doors or windows; make a point of shutting every door after you as you go through the house. For this purpose doors enclosing the staircase are very useful.

Accidents to the Person.

1. Upon discovering yourself on fire, reflect that your greatest danger arises from draft to the flames and from their rising upwards; throw yourself on the ground, and roll over on the flame, if possible on the rug or loose drugget, which drag under you; the table-cover, a man's coat, anything of the kind at hand, will serve your purpose: scream for assistance, ring the bell, but do not run out of the room, or remain in an upright position.

2. Persons especially exposed to a risk of their dresses taking fire, should adopt the precaution of having all light fabrics washed in a weak solution of chloride of zinc.

Treatment of Injuries.

1. Send for medical aid,—let the sufferer be put to bed as quickly as possible,—remove all remains of clothing about the injured parts, cutting with extreme caution, as it is of the first importance to avoid tearing the skin or breaking a blister. If this is not attended to, the future danger will be greatly aggravated. If possible to avoid it, the water must not be let out of the blister.

2. As the readiest thing at hand, cover all the injured parts tenderly with clean cotton or wool, what is commonly known as wadding, the cleaner and purer the better; (the best for the purpose is kept by druggists;) it relieves by excluding the air. Linen rag, soaked in a mixture of equal parts of lime water and linseed oil, also forms a good dressing. Common whiting is very good applied wet, and continually damped with a sponge.

3. It is better to avoid cold applications. They certainly allay pain; but, unless the cold be maintained, the momentary relief is followed by a considerable aggravation of the suffering. In extensive burns, moreover, cold water freely applied is not unattended by danger.

4. From 36 to 50 hours after the injury, the blisters will present a milky appearance, and show surrounding inflammation; when this is the case, they may be opened with the point of a large needle; dressing for burns may then be simple wax and oil spread on lint, but so much depends on circumstances and the state of health of the sufferer, that it is desirable, as soon as possible, to secure medical attendance.

5. To recover a person in a state of insensibility from the effect of smoke, dash cold water in the face, or cold and hot water alternately. Should this fail, turn him on his face, with the arms folded under his forehead. Apply pressure along the back and ribs, and turn the body gradually on the side, then again slowly on the face, repeating the pressure on the back. Persevere with these alternate rolling movements, about 16 times in a minute, until respiration is restored. A warm bath will now complete the recovery.

List of the Fire Escape Stations.

At each Station, there is a Fire Escape, attended throughout the night by a conductor, well instructed in its use, and provided with all necessary implements: it is his duty to attend any fire in his neighbourhood, upon the first alarm being communicated to him.

Western District.

1. Edgware-road, near Cambridge-terrace.
2. Bishop's-road, facing Trinity Church.
3. Kensington.—1. Notting-hill, near the Gate.
4. „ 2. High-street, in front of the church.
5. Oxford-street, corner of Dean-street, Soho.
6. „ „ Marylebone-lane.
7. „ West, corner of Connaught-place.
8. Baker-street, corner of King-street.
9. Great Portland-street, by the chapel.
10. Tottenham-court-road, by the chapel.
11. Marylebone-road, corner of Albany-street.
12. St. John's-wood.—1. "Eyre Arms."
13. „ 2. Near "Swiss" tavern.
14. „ 3. Aberdeen-place, near St. John's-wood-road.
15. Kilburn, by the Turnpike-gate.
16. Kentish Town, Camden Broadway, facing the "Falcon."
17. Camden Town, front of the "Southampton Arms."

Inspector:
Mr. Spencer, 38, Great Portland-street.

Northern District.

18. Islington.—1. On the Green.
19. „ 2. Compton-terrace, Highbury end.
20. „ 3. Balls Pond, by the "Northampton Arms."
21. „ 4. Richmond-road, Barnsbury.
22. „ 5. Camden-road, Holloway.
23. Euston-square, Euston-road, by St. Pancras Church.
24. Battle-bridge, in front of King's-cross.
25. Guilford-street, Foundling Hospital.
26. Aldersgate-street, opposite Carthusian-street.
27. Clerkenwell.—1. St. John-street, opposite Corporation-row.
28. Clerkenwell.—

28. Clerkenwell.—2. Corner of Claremont-square and Pentonville-road.
29. Old-street, St. Luke's, corner of Bath-street.
30. Hoxton, in front of the "Sturt Arms."
31. Shoreditch, in front of the Church.
32. Kingsland-road, near the Workhouse.
33. Hackney.—1. By Kingsland Turnpike.
34. „ 2. In Church-street.

Inspector:

Mr. Wade, 52, Newton-street, Bridport-place, Hoxton.

Eastern District.

35. Cheapside, by the Peel Statue.
36. Royal Exchange, by the Wellington Statue.
37. Aldgate, corner of Leadenhall and Fenchurch-streets.
38. St. Mary-at-hill, corner of Rood-lane.
39. Tower-hill, by the Mint.
40. St. John's, Wapping, in front of the Church.
41. St. George in the East, in front of the Church.
42. Shadwell, High-street, opposite St. Paul's Church.
43. Ratcliff, in the Commercial-road, by the Railway Arch.
44. Limehouse, corner of Commercial and East India-roads.
45. Poplar, opposite All Saints' Church.
46. Bow, High-street, opposite the Church.
47. Mile-end-road, opposite Messrs. Charrington's Brewery.
48. Bethnal-green, opposite St. John's Church.
49. Whitechapel, in front of the Church.
50. Bishopsgate-street, near Widegate-street.
51. Finsbury-circus, corner of West-street.

Inspector:

Mr. Venables, 16, Laura-terrace, Campbell-road, Bow.

Southern District.

52. Lambeth, by the Female Orphan Asylum.
53. Kennington-cross.
54. Clapham, in the High-street.
55. Camberwell, on the Green.
56. High-street, Peckham.
57. Old Kent-road, by "Green Man" Gate.
58. Walworth-road, by Camberwell Gate.
59. Newington, opposite the "Elephant and Castle."
60. Blackfriars-road, corner of Great Charlotte-street.
61. Southwark, in front of St. George's Church.
62. Southwark-bridge-road, corner of Union-street.
63. Tooley-street, near Bermondsey-street.
64. Bermondsey.—1. Star-corner.
65. „ 2. St. James's Church.
66. Rotherhithe.—1. Coburg-street.
67. „ 2. Commercial Docks.

Inspector:

Mr. Havard, 7, Gladstone-terrace, Walworth.

South-Western District.

68. Kensington, Fulham-road, corner of Pelham-crescent.
69. Brompton, near Knightsbridge-green.
70. Chelsea.—1. Oakley-square.
71. „ 2. Sloane-square.
72. Eaton-square, by St. Peter's Church.
73. South Audley-street, by the Chapel.
74. Conduit-street, corner of Gt. George-street.
75. Golden-square.
76. Piccadilly, facing St. James's Church.
77. Bedford-row, south end.
78. Hart-street, Bloomsbury, by St. George's Church.
79. Holborn-hill, corner of Hatton-garden.
80. Long-acre, facing Bow-street.
81. New Bridge-street, by the Obelisk.
82. Strand, by St. Clement's Church.
83. West Strand, Trafalgar-square, by St. Martin's Church.
84. Westminster.—1. Broad Sanctuary.
85. „ 2. Horseferry-road.

Inspector:

Mr. Hale, 2, Great Ormond-street, Queen-square.

Hours of Duty.—September to April, inclusive, 8 p.m. to 7 a.m. May, June, July, August, 9 p.m. to 6 a.m.

Communications relative to the efficiency of the Fire Escapes or the Conductors, from persons in the locality of each, will at all times receive attention from the Inspector of the district.

Office, 59, Ludgate-hill, January 1867. *Sampson Low*, Jun., Secretary.

App. No. 2.

ROYAL SOCIETY FOR THE PROTECTION OF LIFE FROM FIRE.

Rules for Conductors.

Observance of the rules.

1. It must be distinctly understood that all conductors and supernumeraries employed by this Society are to be subject to the following rules, any infraction of which will be visited by the committee with dismissal, fine, or suspension, as the case may deserve.

Applicants when approved by Committee appointed as Supernumeraries.

2. Persons desirous of employment as conductors must fill up a printed form of application to the committee, which they may obtain of the secretary. If approved of by the committee, they will be appointed supernumeraries, when they must attend night and morning to assist such conductors in removing their escapes as the secretary shall direct; making themselves acquainted with the working of the escapes and the duties which will be required of them as conductors.

Supernumeraries.

3. Supernumeraries will be appointed conductors in their turn, as vacancies occur. The two senior supernumeraries are paid assistance money if they regularly attend; with this exception, they receive no wages unless on temporary duty for a conductor.

Time to be on duty with the escapes.

4. When a conductor requires a supernumerary to take his place for a night, he must make application to the secretary by 12 o'clock the morning previous.

Conductor requiring a supernumerary to go on duty for him.

5. The conductors are to be on duty at their respective stations with their escapes from 9 o'clock in the evening until 6 o'clock in the morning, during the months of May, June, July, and August; and from 8 o'clock in the evening until 7 o'clock in the morning, during the other eight months.

Office duty.

6. Two conductors in rotation are to attend as orderlies for one week daily at the office, the first orderly at 11 o'clock, the second at 3 o'clock.

General appearance and conduct.

7. The conductors are to be clean and respectable in their personal appearance, sober and steady in their conduct at all times (the offence of drunkenness will subject a conductor to instant dismissal), to wear their uniform coat, cap, and belt whenever on business for the Society; and when on night duty to wear also their axe and other accoutrements, and be furnished with a helmet, lamp, and rattle; the whole of which are to be at all times kept in a clean and efficient condition.

Obey orders of secretary, &c.

8. To obey all orders of the secretary and the inspectors of their respective districts; these officers, representing the committee, must be treated with respect and attention. Any breach of this rule will be an act of insubordination, and will be dealt with accordingly.

Conductors are responsible for the state of their machines.

9. Each conductor will be held responsible for the appearance and sound condition of his escape, and will be required to pay for any damage that may arise from his carelessness or inattention. When put up for the day, the escape must be properly secured, so as to protect it from injury. The escapes are to be thoroughly cleaned at least once a week, and the wheels taken off and greased once a month. A report, in writing, must be made to the secretary whenever any repairs are found to be required, as well as the same reported to the inspector on his next visit.

To examine machines upon going on duty.

10. Upon going on duty, the conductor is every night to examine the condition of his ladders, ropes, lamp, and other accoutrements, and see that the whole are clean and in good condition, and fit for immediate use.

Not to sleep or go into a public-house.

11. While on night duty, the conductors are upon no account to leave their station, nor to enter any public house or other building. The watch boxes are provided as a protection against inclement weather, and must not be used by any person but the conductor; nor are the doors to be closed when the conductor is within, as he is expected to be vigilantly zealous for the preservation of life, and ready to give immediate attendance whenever required.

Sudden illness while on duty.

12. If taken suddenly ill while on duty, the conductor must send a messenger to the inspector of his district. Upon no pretence whatever will absence from duty, without the secretary's or inspector's knowledge, be permitted.

Called to a fire.

13. When called to a fire, the conductor will immediately secure the assistance of three persons (police constables being preferred), and, losing no time in starting, proceed with his escape to the fire. On his way, he will explain, as well as he can, the nature of the assistance to be rendered, particularly cautioning them to let no person ascend the escape except the conductor.

Arriving at a fire.

14. On arriving at the fire, the conductor is to place his escape in the most advantageous position, allowing no person to touch it beyond those he has selected, one of whom is to be stationed at the lever, while the conductor ascends the ladder. The whole attention and utmost energy of the conductor is to be given to the preservation of life; and having ascertained, beyond a doubt, that the inmates are out of danger, and that no further service is required of him, he must take his escape back to the station with all reasonable speed.

If attending a fire where the escape cannot be used.

15. If, from the peculiar construction or situation of the house on fire, the large escape cannot be available, the conductor, resigning it to the charge of a police constable, will make the best of his way to the roof by the adjoining house, or otherwise take such steps as are most likely to rescue the lives in danger, availing himself of his short ladder, ropes, crowbar, &c.; if in a narrow court, try and render assistance from the opposite window, by placing the ladder across.

General conduct at a fire.

16. The great variety of circumstances attending a fire render it impossible to lay down any precise rules; much will always depend upon the coolness, presence of mind, and skill of the conductors, who are therefore expected so to consider the subject and the Society's printed

printed "directions to assist in saving life from fire," as to be prepared to act with coolness and judgment on all occasions. It is also necessary that the conductors make themselves acquainted with the neighbourhood of their respective stations.

Certificate required of attendance at a fire.

17. The conductors are furnished with printed certificates, two of which they are to get filled up, with the particulars of the fire which they have attended, stating time, place, and services rendered; these they must get two of the nearest housekeepers to sign, asking them at the same time if they wish to make any remarks of their own on the back of the certificate, and the same must be brought to the secretary before 10 o'clock the following morning.

Encouragement to good conduct and vigilance.

18. While the observance of these rules will be strictly enforced, every encouragement will be given to the conductors to persevere in good conduct, and the committee will never allow vigilance and efficiency to pass unnoticed or unrewarded.

By Order of the Committee,

Office, Milton Chambers, Ludgate Hill, February 1864.

Sampson Low, Jun., Secretary.

REWARDS.

The Society remunerates persons calling and assisting the escapes according to the following scale:—

	s.	d.
To the person giving the call at a fire-escape station, whereby the Conductor is enabled to save life (persons "calling" to assist the conductor)	5	–
If it enables the conductor to arrive before an engine - - - -	2	6
If after an engine - - - - - - - - - - - -	1	6
To the second and third persons assisting the conductor, each - - -	1	–

Appendix, No. 3.

PAPER handed in by Mr. *Lewis Becker*.

App. No. 3.

DIRECTIONS for avoiding Accidents and aiding Persons to Escape from Buildings on Fire, by *Lewis M. Becker*.

The want of coolness and presence of mind at the time of an alarm of fire, is by far the greatest hindrance to an escape and the power to subdue the fire. For these, no regulations can be framed; but a few simple directions, well considered and reflected upon in time of safety, will in a great measure tend to discreet and successful efforts in the hour of danger.

Precautions against Fire.

Never rake out a fire previous to retiring to rest, or leave bundles of firewood on the hobs to dry, &c.

Always shut off the taps of the gas burners previously to turning off the meter cock.

Do not leave any clothes or other articles to air, or allow anything inflammable near the fire-place at night time.

Tallow candles should not be used in bedrooms without some protection, or the lights blown out.

If a light is burnt at night, place it in an empty wash-hand basin.

Place fire guards before the fires left burning at night, and do not leave cats or other animals in the rooms.

Keep lucifers in some metal receptacle, and out of reach of children.

Never use paper to light candles or lamps; a wax taper in a metal slide should only be used to light the gas.

Do not place any combustible articles under staircases (paper, string, cuttings, firewood, &c.), counters, or in closets. Old baskets, rags, &c., should always be kept outside of dwellings.

Always keep water in the bedroom jugs, and pails full of water in the basement at night.

If the gas escapes, open all the doors and windows, and remove any lights from the endangered rooms.

N.B.—Explosions of gas can only be caused by placing a light near the places from whence the gas escapes, or by taking a light into a room charged with gas.

Do not stuff up rat holes, &c., with greasy or other rags, or place any brimstone or phosphorous compounds near.

Do not smoke in bedrooms, and always see that the ashes of a pipe or cigar are thoroughly extinguished before leaving a room.

Remove, when changing wearing apparel, all vesuvians, lucifers, &c.

Never place a candle on the hob of a fire-place at night.

Keep the chimneys thoroughly swept.

Do not use swing gas burners, and protect by globes or bell glasses all gas-lights.

Do not allow smoking, any artificial fire heat or naked light in stables or rick-yards; never thresh or cut chaff by artificial light.

Watchmen having charge of premises, factories, &c., should be provided with locked lanterns or Davy's lamps. A powerful fire bell should be attached to a high part of the building, only to be rung in time of danger.

All light bedroom fittings, adornments, female garments, and textile fabrics should be steeped in tungstate of soda, chloride of zinc, or a strong solution of alum.

While any carpentry or repairing is being effected, no fires should be allowed in those rooms, and the shavings and small pieces of wood should be gathered every night and placed outside the buildings.

Keep the telescopic tube of the suspended gas burners always filled with water or an uncongealable oil.

Ammunition and explosive articles should never be kept in basements of buildings in quantities or in one spot.

Mineral oils of every description should be kept outside of houses, and the lamps trimmed only in the daytime; destroy the old wicks by steeping them in hot water.

Never read in bed by artificial lights.

Before retiring for the night, owners of premises should go over them without a light so as to distinguish any fire or sparks.

Servants should be provided with night shades and a candle of sufficient length for their retirement.

Give an immediate alarm, and send for the fire engines and escapes; endeavour, with assistance, to get to the seat of the fire, cover your mouth with a wetted handkerchief or cloth, taking as much water with you as you can.

Also procure water and buckets from your neighbours, and, if the fire is discovered in an early stage, by coolness and united action, it may be conquered.

N.B.—Many serious fires attended with fatal consequences have occurred through the careless acts of servants, who frequently read or work in their bedrooms after the household have retired.

Fires on Farms, &c.

Farmers and owners of agricultural stock should exercise every precaution against fire, and strictly punish

punish any one endangering their property. Ricks should be placed in a straight line, hay ricks and corn stacks alternately, and as far distant from each other as possible, and no loose straw should be allowed about.

A pond, even if it is small, should be kept close by the rick-yard.

If steam engines are used, place them on the lee side of the stack or barn, and as far from the machine as possible. Continually clear away the loose straw; pails of water should be kept at the side of the engine in case of accident, and also to extinguish the cinders. In drawing the fire, thoroughly extinguish the live coals, and do not remove them near the ricks or barns.

If a fire should occur in a rick do not wait for the engines, but collect all hands. Do not disturb or beat the rick if much on fire, let it burn out. Collect blankets, rugs, carpets, sacks, &c., saturate with water and place them over the ricks immediately endangered, and throw water on them. See that the lighted particles of the rick on fire do not fall on other ricks and thatched buildings that are unprotected.

If a fire breaks out in the horseshed or barns, see to the cattle therein first; get sacks, cloths, smocks, or handkerchiefs, saturate and place them over the eyes of the cattle, particularly the horses, take hold of their ears and lead them out to a place of safety, taking care that they do not rush back again.

If the fire should continue to spread and endanger other buildings, pull down an intervening one. Endeavour to save the farming stock, implements, &c., from the buildings endangered.

The labourers should place themselves in a row at arm's length between the water supply and the fire, and pass the buckets full of water steadily, the empty ones could be rapidly passed back; if the water supply is scarce, take care it is not wasted, throw the water on the burning buildings in front of the flames; the steam arising from it will help to quench them. Sand and earth are non-conductors of heat and flame, therefore, if obtainable, throw some on the buildings on fire.

Every farm having a well should be provided with a force pump and a connecting screw for small hose, with a good supply of canvas or other buckets. Remember that much may be saved at a farm fire by coolness and precision of action.

Means to be Adopted to Escape from Buildings on Fire.

Do not bolt or bar up the premises at night in such a way that immediate egress cannot be obtained. All bolts and bars should be easily shot, and the keys of the locks left in the doors or hung up close to them.

Do not shut bedroom doors by two or three inches. If a fire occurs in the basement, the smoke arising will cause you to be awakened at an early stage.

On discovering a fire, endeavour to be cool, instantly collect your children and servants. If the fire is in the front rooms of a house, escape by the back; if in the back by the front. If you cannot immediately escape, you inspire confidence by remaining with your household. If the fire is not serious; remove your household by a front door or window to a neighbour's house.

Shut all doors and windows after you. If the fire is fierce and the smoke is stifling, open the window of the room you are in, and place a blanket or shawl at the bottom crevice of the door. If no assistance is at hand, throw out the bed immediately under the window; endeavour to avoid the area (back or front), and lower your household singly, by means of the sheets or similar articles being tied together, and finally yourself, by fastening one end to the bedpost. As the head of the household, do not attempt to escape yourself before the rest of the unprotected are safe.

After the household are safe, pending the arrival of the fire brigade, and if you cannot successfully combat with the fire, endeavour to rescue your property, without endangering your life and the lives of others. Do not allow the doors or windows to remain open, or a mob to enter your house.

Never ascend to the upper floors of a house or on the roof if you can remain in the lower floors; recollect smoke and heat always ascend. Do not open the fire trap unless you want to make use of it.

Every householder should make each person in his house thoroughly acquainted with the best means of escape in the event of fire. Do not wait to dress yourself, but wrap up in a blanket, and put on your boots or slippers.

In factories, where a large quantity of hands are employed, a fire bell of deep tone should be erected to give an immediate alarm of fire, and all doors of egress thrown open; the foreman and others should not allow any of the workmen to re-enter the buildings on fire.

Do not on any account throw yourself out of the window; unless proper means have been provided to break your fall, it is almost certain death.

If you discover yourself on fire, scream for assistance; do not run out of the room into draughts; throw yourself down and wrap the hearth rug or any woollen or incombustible material around you, keep your arms down, and your legs closed.

If you assist another on fire take a carpet, rug, or mat with you; do not let the sufferer clasp you; endeavour to get him down on the ground and roll him over. Keep your own arms down; do not, if you can avoid it, throw water on the sufferer.

Crawl on your hands and knees if the smoke or heat is great.

If any of the household are missing, search under the beds and in cupboards. Children and females in their fright frequently seek such dangerous recesses.

The bolts of the fire trap-doors should slide easily, and a ladder or a pile of boxes should always be kept in readiness on the same landing; this resource of escape should be the last, as with a large household great dangers necessarily occur on roofs.

If your neighbour's premises are on fire, preserve the same directions as laid down for your own safety; procure ladders, blankets, &c., and throw out your own bedding to break their falls.

Holding two or three blankets firmly by each corner is an excellent mode to prevent persons sustaining injury if they drop or throw themselves from the windows.

If the foregoing means to rescue persons endangered are unavailable, let two or more strong and courageous men ascend the roofs of the adjoining houses, and if there are no attic windows or fire-escape doors, remove the tiles or slates of the roof as near to the safest part as possible.

App. No. 3.

Injuries of Person.

In case of injury by fire or otherwise, immediately send for medical aid, in the meantime place the sufferer in bed, remove carefully any burnt clothing, but do not tear or break the skin, use nothing cold, obtain wadding, flour, or plaster of Paris, and cover the injured parts to exclude the air; pure Florence oil is also a great relief to the sufferer. Do not attempt any recommended remedies other than those of the surgeon.

If the sufferer is in a state of insensibility by smoke, &c., dash cold water in the face; if this fails, turn him on his face with the arms folded under the forehead. Apply pressure along the back and ribs, and turn the body gradually on its side, then again slowly on the face, repeating the pressure on the back. Repeat these alternate rolling movements about 16 times in a minute until respiration is restored.

Water mixed with ammonia, tungstate of soda, or chloride of lime or zinc, should be kept in the fire buckets or pails.

Fire engines, mains, hoses, reservoirs, and other fire extinguishing appliances, should be occasionally tested (at least once a month), and any defects immediately made good. Every extensive building or hazardous trade (whether isolated or not) should be provided with a fire brigade and proper appliances, and they should be regularly drilled.

Setting fire to a house wilfully, loss of life being occasioned thereby, is a capital offence, punishable by death.

Setting fire to a building, with intent to defraud, is a felony, punishable with penal servitude for life.

Attempting to set fire to a building, or to farming stock, is punishable with penal servitude for 15 years.

It is requested that these directions be placed in a conspicuous position, where each of your employed and servants may be able to read them.

Apppendix, No. 4.

PAPERS handed in by Mr. *White*, 13 May 1867.

FARMING STOCK.

App. No. 4.

The following Suggestions are offered by the Directors of the County Fire Office to their Friends in the Agricultural Districts :—

Precautions to Prevent Fires.

Strictly forbid the use of lucifer matches, the smoking of pipes or cigars, the firing of guns, and similar acts in the neighbourhood of the rick-yard, or in the stables or barns. Let the notices which accompany the policy be posted on the farm buildings. [A further supply of these notices may always be obtained on application to the office.]

Have a pond close to the rick-yard, although there may be but a bad supply of water.

If the corn is not stacked in the fields where grown (which is strongly recommended wherever it is practicable), place your ricks in a single line, and as far distant from each other as you conveniently can.

Place hay ricks and corn stacks alternately; the hay rick will check the progress of the fire.

Keep the rick-yard, and especially the spaces between the stacks and ricks, clear of all loose straw; and in all respects in a neat and clean state. The loose straw is more frequently the means of firing than the stack itself.

When a steam thrashing machine is to be used, place it so that the wind may blow the sparks away from the stacks. Let the engine be placed as far from the machine as the length of the strap will allow. Have the loose straw continually cleared away from the engine; see that two or three pails of water are kept constantly close to the ash-pan, and that the pan itself is kept constantly full of water.

Thatched roofs are most dangerous, expensive, and dirty, and they consume much of the straw which ought to be used to advantage upon the farm. It is to be hoped that when they require repairs they will be replaced by slates and tiles.

Suggestions for Stopping and Checking a Fire.

In the event of a fire in a rick-yard, or in any situation in which more than one stack is endangered, it is far better to leave the one on fire to burn out, than to attempt to save it by pulling it to pieces. In ninety-nine cases out of a hundred the attempt fails, and leads to the destruction of the adjoining stacks by the scattering of the burning straw. If the stack stands alone, the burning part may be removed.

Upon the discovery of a fire, every exertion should be made to cover the adjoining ricks and stacks with blankets and carpets well soaked in water, or with tarpaulings and sacks, and the attention of the assistants be next directed to the stack or rick on fire, not to pull it to pieces; but, on the contrary, to keep it compactly together. If a corn stack, it will burn itself out without encroaching upon its neighbours; but if a hay rick, it will smoulder for a considerable time, giving out but little flame, and a portion of it may eventually be saved after the adjoining ricks have been removed to the barns, or other place of safety. That will more certainly be accomplished if care be taken to push wet hay into the hollow space under and around the bottom of the rick, so as to prevent the ingress of atmospheric air. The fire will then be extinguished, and a great part of the rick saved.

It is a fact, that if a moderate-sized hay rick be ignited, and then left undisturbed, it will frequently go out.

Instead of sending for the engines which, being at a distance, seldom arrive in time to be of any real service (the first half hour determines the extent of the fire), we strongly advise the farmer to send to his nearest neighbours for the loan of all the blankets and carpets which can be spared; these will do good service, and we shall always be happy to pay for the cost of them, if used in the manner described, and also to reward liberally all those who really assist in stopping a fire.

App. No. 4.

Notice.

All persons employed upon this farm are strictly forbidden to—
Use lucifer matches,
Smoke pipes or cigars,
Light pipes,
Fire off guns,
Throw hot cinders into or against a wooden outbuilding,
or to commit any other similar act within the neighbourhood of the rick-yard, or in the stables or barns; and any person who may be detected in such conduct will be instantly discharged.

The farm is insured. The fire office will be the only sufferer in the event of a fire, and they have given notice to the farmer that they will punish, with the utmost severity of the law, any person who may be convicted of having, through carelessness or by any other act, caused a fire upon this farm.

Children.—Lucifer Matches.

Notice is hereby given, that whenever children are found playing upon this farm, and having lucifer matches in their possession, the parents of such children will be summoned before the bench of magistrates, and will be held responsible for any damage which may be caused by their children.

Summary.—Causes of Fires.

Ash from cigarette falling into a box containing Chinese fire	1	Ignition of beam	6
Boy lighting gas	1	Lighted soot	4
Burning rubbish	1	Lighted paper thrown amongst shavings	1
Boiling fat	1	Lighted coal	6
Blind falling on stove	1	Lightning	2
Children playing with matches	34	Leaf from faggot	1
Clothes airing	44	Match thrown amongst twitch	1
Candle on chair	1	Overheat	4
Child playing with lantern	1	Overheat by cockle	1
Candle falling on straw	2	Papers in contact with gas	2
Candle falling on clothes	1	Pipe stove	1
Candle in contact with curtains	2	Plumber's fire	1
Candle in contact with bed-clothes	2	Reading in bed	3
Candle knocked off tub by cat	1	Removing a case of matches	1
Candle igniting partition	1	Spark from lantern	7
Defective flue	20	Spark from pipe	21
Draft from ventilator	1	Spark from candle	62
Dog upsetting matches	1	Spark from bonfire	3
Dress in contact with grate	1	Spark from grate	36
Escape of gas	14	Spark from forge	2
Explosion of paraffin lamp	2	Spark from glue pot	3
Fire adjoining premises	92	Spark from thrashing machine	11
Falling of a box of cigar lights	2	Spark from chimney	6
Fire opposite premises	5	Spark from stove	1
Falling of grate	1	Spark from copper hole	2
Fire balloon	1	Spark from locomotive	1
Friction of machinery	3	Swing gas bracket	6
Falling of stove	1	Steam colliery engine	1
Fireworks	1	Sun igniting matches	1
Fat out of frying-pan	1	Treading on lucifer match	1
Fire at Crystal Palace	1	Tar drawn from still	1
Girl holding candle near thatched roof	2	Unknown	118
Goods in contact with gas	8	Upsetting lamp	1
Gun wadding	1	Warming apparatus	1
Gas in contact with flour hopper	1	Warp in contact with gas	2
Gas in contact with looking-glass	1	Wrapping burnt loaf of bread in sack	1
Horse upsetting lamp	1	Window blind	9
Hot ashes	3	Wax taper	3
Incendiary	40	Total	636

Appendix, No. 5.

PAPER handed in by Mr. *Whiffen*, 16 May 1867.

West Middlesex Waterworks.

App. No. 5.

REWARDS paid for calling Turncocks to Fires.

					£.	s.	d.
Quarter ending Midsummer	1862	- -	88 at 2 *s.* 6 *d.*	-	11	–	–
Ditto - Michaelmas	„	- -	85 „	-	10	12	6
Ditto - Christmas	„	- -	71 „	-	8	17	6
Ditto - Lady-day	1863	- -	113 „	-	14	2	6
			357	£.	44	12	6
Quarter ending Midsummer	1863	- -	130 at 2 *s.* 6 *d.*	-	16	5	–
Ditto - Michaelmas	„	- -	89 „	-	11	2	6
Ditto - Christmas	„	- -	79 „	-	9	17	6
Ditto - Lady-day	1864	- -	133 „	-	16	12	6
			431	£.	53	17	6
Quarter ending Midsummer	1864	- -	140 at 2 *s.* 6 *d.*	-	17	10	–
Ditto - Michaelmas	„	- -	133 „	-	16	12	6
Ditto - Christmas	„	- -	128 „	-	16	–	–
Ditto - Lady-day	1865	- -	176 „	-	22	–	–
			577	£.	72	2	6
Quarter ending Midsummer	1865	- -	142 at 2 *s.* 6 *d.*	-	17	15	–
Ditto - Michaelmas	„	- -	97 „	-	12	2	6
Ditto - Christmas	„	- -	104 „	-	13	–	–
Ditto - Lady-day	1866	- -	63 „	-	7	17	6
			406	£.	50	15	–
Quarter ending Midsummer	1866	- -	19 at 2 *s.* 6 *d.*	-	2	7	6
Ditto - Michaelmas	„	- -	18 „	-	2	5	–
Ditto - Christmas	„	- -	20 „	-	2	10	–
Ditto - Lady-day	1867	- -	25 „	-	3	2	6
			82	£.	10	5	–

Appendix, No. 6.

PAPER handed in by Dr. *Attfield*, 16 May 1867.

App. No. 6.

RESULTS of an Examination of the Inflammable Properties of 65 Specimens of Mineral Lamp Oil Purchased at Shops in Various Parts of *London*.

Number.	Specific Gravity.	Firing Point, in Degrees of Fahrenheit's Thermometer,		Number.	Specific Gravity.	Firing Point, in Degrees of Fahrenheit's Thermometer,	
		According to the Petroleum Act.	According to the Custom of the Trade.			According to the Petroleum Act.	According to the Custom of the Trade.
1	796	74	80	34	802	92	110
2	797	81	98	35	796½	74	87
3	798	93	96	36	814	101	120
4	798	78	81	37	812	96	111
5	799	85	101	38	800	79	99
6	798	87	99	39	808½	86	103
7	805	101½	106	40	798½	84	97
8	799	84	94	41	804½	84	99
9	805½	93	106	42	807½	89	107
10	795½	91	100	43	818½	99	115
11	808	105½	115	44	801½	69	90
12	821½	134	143	45	819	112	121
13	800	84	90	46	809½	73	86
14	807	100½	115	47	803	82	92
15	801	79	91	48	816	85	98
16	805½	97	110	49	797½	70	74
17	802	74½	100	50	802	95	103
18	803	100	118	51	811	89	104
19	800	72½	86	52	801½	74	86
20	802½	68	89	53	808½	87	99
21	799	76	92	54	798	67	77
22	819½	100	111	55	801	78	92
23	820½	104½	117	56	801	79	104
24	819½	83	106	57	804	132	134
25	802	80	96	58	805	88	93
26	812½	101	103	59	806	74	83
27	799	80	99	60	806	88	105
28	800½	82	92	61	808	83	72
29	802	100	114	62	819	95	116
30	803	77	82	63	800	83	90
31	800	71½	88	64	797	84	98
32	803	79½	95	65	801	86	103
33	802	86	103				

Appendix, No 7.

PAPERS handed in by Mr. *Boult*, 23 May 1867. App. No. 7.

No. 1.

TABLE showing that FIRES have increased in *London* in an undue ratio to the increase of Population and of Houses.

In the year 1845	there was one fire to every	2,990	of the population and to every	395	houses.
1850	„	2,673	„	347	„
1855	„	2,585	„	333	„
1860	„	2,613	„	335	„
1861	„	2,370	„	303	„
1862	„	2,188	„	280	„
1863	„	2,064	„	265	„
1864	„	1,980	„	255	„
1865	„	1,900	„	250	„

The above shows an abnormal increase of fires annually, these being the total fires recorded by the London fire-engine establishment.

Analysing the returns, and taking out those classes among which cases of arson must lie, the following results present themselves.

No. 2.

TABLE showing the Increase in the Numbers of FIRES recorded as of "suspicious, doubtful, or unaccounted for" origin.

In the year 1852	there were	923	fires, of which	318 or 34½	per cent. were of suspicious, doubtful, or unaccounted for origin.
1853	„	900	„	324 „ 36	
1862	„	1,303	„	507 „ 38	
1863	„	1,401	„	501 „ 36	
1865	„	1,502	„	618 „ 40½	
1866	„	1,338	„	700 „ 52⅓	

No. 3.

TABLE showing the Practice in several of the Countries on the Continent with regard to Investigations into the origin of FIRES.

QUESTIONS.	Hamburg.	Copenhagen.	Gothenburg.	Petersburg.	Berlin.	Paris.	Havre.
1st. If any inquiry takes place?	Yes, always, in even the slightest cases.	Yes	Yes, always	Yes	Yes	Yes	Yes.
2nd. If so, how is it originated?	By the police	Police	Police	Police	Police	Insurance company.	Police.
3rd. Before whom conducted?	Chief of police	Surerintendent police.	Police	Police	Police	Judge of Peace	Police.
4th. Whether the inquiry is compulsory in all cases, or only to be held in doubtful or suspicious cases?	Compulsory in all cases	Compulsory in all cases.	Always compulsory.	Compulsory in all cases.	Compulsory in all cases.	-	Compulsory in all cases.
5th. How is the evidence obtained; that is, whose duty is it to make the inquiry searching?	Police	Police	Police	Police	Police	Insurance companies.	Police.
6th. In the event of a fire being pronounced suspicious, or of an individual being indicated as having caused the fire, what is the next proceeding?	The police take posesession, arrest the suspected, and prosecute.	The case is handed over to the Criminal Court.	The suspected is imprisoned and tried.	The case is transferred to the Court of Trial.	The Attorney General prosecutes before a Criminal Court, and arrests the suspected if he thinks proper.	-	Public prosecutor institutes an investigation.
7th. If an inquiry take place, and the property is insured, is the settlement of the claim deferred until the termination of the inquiry?	Yes; neighbours sustaining losses, and free from suspicion, needs no certificate of police.	Yes	Yes	Yes	Yes	Yes	Yes.

Appendix, No. 8.

PAPERS handed in by Captain *Shaw*.

Acts of Parliament referred to in Captain *Shaw's* Evidence.

Appendix No. 8.

SUMMARY.	No.
Acts relating to Buildings in the Metropolis - - -	14
Other Acts bearing on the General subject of Fires - -	10
Acts relating to Water Companies in the Metropolis -	38
Other Acts relating to Water Supplies - - - -	7
Total - - -	69

Acts of Parliament relating to Buildings in the Metropolis.

No.	ACT.	Year.	No.	ACT.	Year.
1	19 Charles 2, c. 3 - -	1667	8	12 George 3, c. 73 - -	1772
2	22 Charles 2, c. 11 - -	1670	9	14 George 3, c. 78 - -	1774
3	6 Anne - - -	1707	10	50 George 3, c. 75 - -	1810
4	7 Anne - - -	1708	11	7 & 8 Victoria, c. 84 -	1844
5	11 George 1 - - -	1724	12	9 Victoria, c. 5 - -	1846
6	4 George 3, c. 14 - -	1764	13	18 & 19 Victoria, c. 120 -	1855
7	6 George 3, c. 57 - -	1766	14	18 & 19 Victoria, c. 122 -	1855

General Acts of Parliament relating to the Metropolis, &c.

No.	ACT.	Year.	No.	ACT.	Year.
1	9 George 4, c. 116 -	1828	6	21 & 22 Victoria, c. 98 -	1858
2	3 & 4 William 4, c. 90 -	1833	7	23 & 24 Victoria, c. 139 -	1860
3	4 & 5 William 4, c. 35 -	1834	8	25 & 26 Victoria, c. 66 -	1862
4	3 & 4 Victoria, c. 85 -	1840	9	28 & 29 Victoria, c. 90 -	1865
5	10 & 11 Victoria, c. 89 -	1847	10	29 & 30 Victoria, c. 69 -	1866

Appendix No. 8.

Acts of Parliament relating to Water Companies in the Metropolis.

No.	ACT.	Year.	No.	ACT.	Year.
1	15 Elizabeth, c. 18 - -	1571	20	13 & 14 Victoria, c. 59 -	1850
2	3 James 1, c. 18 - -	1605	21	15 & 16 Victoria, c. 156 -	1852
3	12 George 2, c. 32 - -	1738	22	15 & 16 Victoria, c. 157 -	1852
4	25 George 3, c. 89 - -	1785	23	15 & 16 Victoria, c. 158 -	1852
5	45 George 3, c. 119 -	1805	24	15 & 16 Victoria, c. 160 -	1852
6	46 George 3, c. 119 -	1806	25	16 & 17 Victoria, c. 166 -	1853
7	47 George 3, sess. 2, c. 72	1807	26	17 Victoria, c. 39 - -	1854
8	49 George 3, c. 157 -	1809	27	17 Victoria, c. 72 - -	1854
9	49 George 3, c. 189 -	1809	28	18 Victoria, c. 21 - -	1855
10	50 George 3, c. 132 -	1810	29	19 Victoria, c. 10 - -	1856
11	51 George 3, c. 169 -	1811	30	19 & 20 Victoria, c. 116 -	1856
12	52 George 3, c. 192 -	1812	31	20 & 21 Victoria, c. 42 -	1857
13	52 George 3, c. 193 - -	1812	32	23 Victoria, c. 1 - -	1860
14	53 George 3, c. 36 - -	1813	33	23 Victoria, c. 78 - -	1860
15	56 George 3, c. 4 - -	1816	34	24 & 25 Victoria, c. 151 -	1861
16	7 George 4, c. 140 -	1826	35	25 Victoria, c. 44 - -	1862
17	5 & 6 William 4, c. 95 -	1835	36	27 Victoria, c. 8 - -	1864
18	7 & 8 Victoria, c. 30 -	1844	37	27 & 28 Victoria, c. 146 -	1864
19	11 Victoria, c. 7 - -	1848	38	29 & 30 Victoria, c. 230 -	1866

Other Acts of Parliament relating to Water Companies.

No.	ACT.	Year.
1	8 Victoria, c. 16 - - - - -	1845
2	8 Victoria, c. 18 - - - - -	1845
3	9 & 10 Victoria, c. 222 - - - -	1846
4	10 Victoria, c. 17 - - - - -	1847
5	15 & 16 Victoria, c. 84 - - - -	1852
6	23 & 24 Victoria, c. 106 - - - -	1860
7	26 & 27 Victoria, c. 118 - - - -	1863

App. No. 8.

TABLE showing the Comparative Strength of the late LONDON FIRE ENGINE ESTABLISHMENT on the 31st of December 1865, and the METROPOLITAN FIRE BRIGADE on the 1st of June 1867.

DESCRIPTION.	London Fire Engine Establishment.	Metropolitan Fire Brigade.	Increase.
Floating Steam Fire Engines	(1 hired) 2	2	—
Large Land Steam Fire Engines	(1 hired) 3	7	4
Small Land Steam Fire Engines	(4 hired) 6	14	8
Seven-inch Manual Fire Engines	20	24	4
Six-inch Manual Fire Engines	1	27	26
Under Six-inch Manual Fire Engines	6	10	4
TOTAL	38	84	46
Land Stations	17	41	24
Floating Stations	2	2	—
TOTAL	19	43	24
Firemen	129	232	103

Eyre M. Shaw,
Chief Officer, Metropolitan Fire Brigade.

PER CENTAGE of Principal Causes of FIRES for Thirty-three Years.

CAUSES. NAME.	Number.	Per Centage.
Candle	3,218	11·07
Children playing, &c.	463	1·59
Curtains	2,822	9·71
Flues	2,268	7·80
Gas	2,225	7·65
Lucifers	409	1·41
Smoking tobacco	406	1·40
Sparks of fire	1,299	4·47
Spontaneous ignition	274	·95
Stoves	489	1·67
Other causes known	5,639	19·40
Unknown	9,557	32·88
Total Number of fires	29,069	100·00

Appendix, No. 9.

MAPS delivered in by Captain *Shaw*, 20 June 1867.

MAP of the London Fire Engine Establishment on 31st December 1865.—*See opposite.*

MAP of the Metropolitan Fire Brigade on 1st May 1867.—*See opposite.*

Appendix, No. 10.

PAPER handed in by Captain *Shaw*, 4 July 1867.

TABLE showing the Distribution of the METROPOLITAN FIRE BRIGADE.—June 1867.

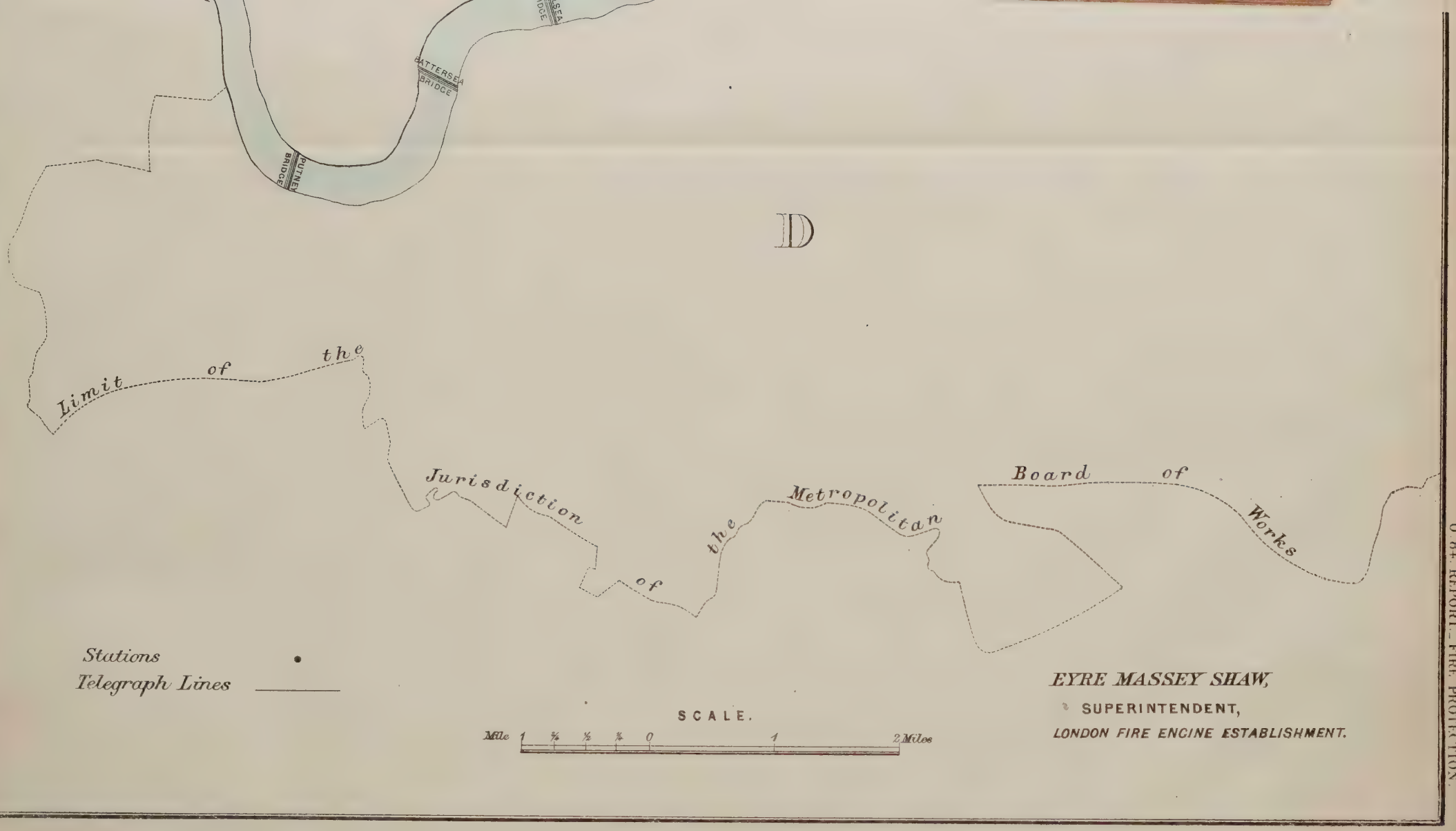
	No.	STATIONS.	ENGINES.								MEN.							Drivers.	Horses.
			Steam.			Manual.				Total Number of Engines.	Foremen.	Engineer.	Sub-Engineer.	First Class.	Second Class.	Third Class.	Total Number of Men.		
			Large.	Small.	Total.	7-Inch.	6-Inch.	Under 6-Inch.	Total.										
A.	2	Marylebone	1	–	1	1	–	–	1	2	–	1	–	4	1	1	7	2	5
	3	Highgate	–	–	–	–	1	–	1	1	–	1	–	–	–	2	3	1	2
	4	Euston-road	–	–	–	–	1	–	1	1	–	1	–	–	4	2	7	1	2
	5	Regent-street	–	1	1	–	1	1	2	3	1	–	1	4	2	4	12	1	3
	6	Westminster	–	1	1	–	1	–	1	2	–	1	–	2	3	1	7	2	4
	7	Chelsea	–	–	–	–	1	–	1	1	–	1	–	–	–	2	3	1	2
	8	Brompton	–	–	–	–	1	–	1	1	–	–	–	–	–	–	–	1	2
	10	Kensington	–	–	–	1	–	–	1	1	–	1	–	–	2	1	4	1	2
	11	Hammersmith	–	–	–	1	–	–	1	1	–	–	1	–	–	2	3	1	2
	12	Notting-hill	–	–	–	–	1	–	1	1	–	–	–	–	–	–	–	1	2
	13	Bayswater	–	–	–	–	1	–	1	1	–	1	–	–	–	–	1	–	1
	14	Paddington	–	–	–	1	1	1	3	3	–	1	–	–	–	3	4	2	4
	15	St. John's Wood	–	–	–	1	–	–	1	1	–	1	–	–	1	–	2	1	2
B.	17	Farringdon-street	–	1	1	–	1	1	2	3	1	–	1	1	2	6	11	1	3
	18	Islington	–	–	–	1	–	–	1	1	–	1	–	3	–	2	6	1	2
	20	St. Luke's	–	1	1	–	1	1	2	3	–	1	–	2	2	2	7	1	2
	21	Watling-street	–	1	1	–	2	1	3	4	–	2	2	3	5	4	16	2	6
	22	Charing Cross	–	1	1	1	–	–	1	2	–	1	1	1	3	3	9	1	3
	23	Holborn	1	–	1	–	–	1	1	2	–	1	–	4	–	2	7	1	3
	24	St. Giles's	–	1	1	–	–	–	–	1	–	1	1	3	2	–	7	1	5
	25	St. Pancras	–	–	–	–	1	–	1	1	–	–	–	–	–	–	–	–	–
C.	29	Wellclose-square	–	1	1	–	1	1	2	3	1	–	1	3	2	6	13	2	5
	30	Bethnal Green	–	–	–	1	–	–	1	1	–	1	–	–	1	2	4	1	2
	31	Hackney	–	–	–	–	1	–	1	1	–	1	–	–	2	4	7	1	2
	32	South Hackney	–	–	–	1	–	–	1	1	–	–	1	–	–	–	1	1	2
	33	Mile End	–	–	–	1	–	–	1	1	–	1	–	–	3	1	5	1	2
	34	Bow	–	–	–	1	–	–	1	1	–	–	1	–	–	–	1	1	2
	35	Ratcliff	–	1	1	1	–	1	2	3	–	1	1	2	1	1	6	1	2
	36	Poplar	–	–	–	1	–	–	1	1	–	1	–	1	–	2	4	1	2
	38	Bishopsgate	–	1	1	–	1	1	2	3	–	1	–	4	2	5	12	1	2
	39	Shoreditch	–	1	1	–	1	–	1	2	–	1	–	1	2	2	6	1	2
	40	De Beauvoir Town	–	–	–	–	1	–	1	1	–	–	–	–	–	–	–	–	–
	41	Stoke Newington	–	–	–	–	1	–	1	1	–	–	1	–	–	–	1	1	2
	42	Whitechapel	–	–	–	1	–	–	1	1	–	1	–	–	–	–	1	1	2
D.	43	Walworth	–	–	–	–	1	1	2	2	1	–	1	–	1	2	5	1	3
	44	Tooley-street	1	–	1	1	–	–	1	2	–	1	1	3	1	5	11	1	3
	45	Rotherhithe	–	1	1	1	–	1	2	3	–	1	–	2	2	6	11	1	4
	48	Greenwich	–	–	–	1	–	1	2	2	–	1	–	–	–	–	1	1	2
	52	Peckham	–	–	–	1	–	–	1	1	–	–	–	–	–	–	–	1	2
	59	Waterloo	1	–	1	1	–	1	2	3	–	1	1	4	4	4	14	1	3
	60	Southwark	–	1	1	–	1	1	2	3	–	1	–	3	2	7	13	1	3
		Drill-ground	–	–	–	3	1	–	4	4	–	–	–	–	–	–	–	–	–
		Workshop	1	1	2	–	2	–	2	4	–	–	–	–	–	–	–	–	–
		River	2	–	2	–	–	–	–	2	–	–	–	–	–	–	–	–	–
		TOTAL	7	14	21	22	25	14	61	82	4	29	15	50	50	84	232	43	104

REMARKS.—These figures represent only the number of men residing at the several stations. The duties are done, as far as possible, in a similar manner at all the stations, whether the firemen live in the house or not.

Eyre M. Shaw,
Chief Officer, Metropolitan Fire Brigade.

To face Page 284.

MAP OF THE LONDON FIRE ENGINE ESTABLISHMENT ON THE 31ST DECEMBER 1865.


PUTNEY BRIDGE
BATTERSEA BRIDGE
D
Limit of the Jurisdiction of the Metropolitan Board of Works
Stations
Telegraph Lines
SCALE.
Mile 1 ¾ ½ ¼ 0 1 2 Miles
EYRE MASSEY SHAW,
SUPERINTENDENT,
LONDON FIRE ENGINE ESTABLISHMENT.

MAP OF THE METROPOLITAN FIRE BRIGADE ON THE 1ST OF MAY 1867.

9
Fulham
BATTERSEA BRIDGE
PUTNEY BRIDGE
57
Wandsworth
Clapham
55
Brixton
D
52
Peckham
48
Greenwich
Blackheath
50
Lewisham
53
Sydenham
Tooting
Lower Norwood
Limit of the Jurisdiction of the Metropolitan Board of Works
Existing Stations
Stations ordered
Existing Telegraph Lines
Proposed do. do.
SCALE.
Mile 1 ¾ ½ ¼ 0 1 2 Miles
EYRE MASSEY SHAW,
CHIEF OFFICER,
METROPOLITAN FIRE BRIGADE.

Appendix, No. 11.

PAPERS handed in by Captain *Shaw*.

TABLE of Known and Unknown Causes of LONDON FIRES for Thirty-four Years. App. No. 11.

Year.	Total Number of Fires.	Causes.		Per Centage.	
		Known.	Unknown.	Known.	Unknown.
1833	458	404	54	88·2	11·8
1834	482	340	142	70·6	29·4
1835	471	378	93	80·3	19·7
1836	564	456	108	80·9	19·1
1837	501	392	109	78·2	21·8
1838	568	451	117	79·4	20·6
1839	584	454	130	77·7	22·3
1840	681	528	153	77·6	22·4
1841	696	559	137	80·3	19·7
1842	769	585	184	76·0	24·0
1843	749	563	186	75·2	24·8
1844	762	571	191	74·9	25·1
1845	707	527	180	74·5	25·5
1846	834	626	208	75·0	25·0
1847	836	588	248	70·3	27·7
1848	805	549	256	68·2	31·8
1849	838	612	226	73·0	27·0
1850	868	647	221	74·5	25·5
1851	928	664	264	71·6	28·4
1852	923	616	307	66·7	33·3
1853	900	564	336	62·7	37·3
1854	956	597	359	62·4	37·6
1855	982	627	355	63·8	36·2
1856	957	558	399	58·3	41·7
1857	1,115	692	423	62·0	38·0
1858	1,114	669	445	60·0	40·0
1859	1,084	624	460	57·6	42·4
1860	1,056	618	438	58·6	41·4
1861	1,188	653	535	55·0	45·0
1862	1,303	809	494	62·0	38·0
1863	1,404	917	487	65·3	34·7
1864	1,487	1,013	474	68·1	31·9
1865	1,502	896	606	59·7	40·3
1866	1,338	755	583	56·4	43·6
	30,410	20,502	9,908	67·4	32·6

W. Gremshaw,
Chief Office, M. F. B.

TWENTY-FIVE YEARS.

YEAR.	Fires.	Population.	Houses.	Marriages.	Births.	Deaths.	People to each House.
1840 - -	681	*1,907,036	258,425	18,364	55,763	46,354	7·38
1841 - -	696	1,948,417	262,744	18,520	59,097	46,899	7·40
1842 - -	769	*1,989,719	267,062	18,196	62,111	46,805	7·45
1843 - -	749	*2,031,181	271,381	18,965	62,892	50,029	7·48
1844 - -	762	*2,072,563	275,700	20,401	65,186	51,720	7·50
1845 - -	707	*2,113,945	280,029	22,094	66,751	48,918	7·54
1846 - -	834	*2,155,326	284,338	22,612	70,866	50,123	7·58
1847 - -	836	*2,196,708	288,657	21,580	68,331	59,131	7·61
1848 - -	805	*2,238,090	292,976	21,006	71,380	57,771	7·64
1849 - -	838	*2,279,472	297,295	22,119	72,612	68,756	7·66
1850 - -	868	*2,320,854	301,614	24,354	74,564	48,950	7·69
1851 - -	928	2,362,236	305,933	26,084	78,300	55,488	7·70
1852 - -	923	*2,406,411	311,281	26,474	81,250	54,638	7·73
1853 - -	900	*2,450,586	316,629	27,462	82,254	60,069	7·74
1854 - -	953	*2,494,762	321,978	26,128	84,885	73,697	7·75
1855 - -	982	*2,538,937	327,327	25,018	85,532	61,942	7·76
1856 - -	957	*2,583,112	332,676	26,047	87,430	57,274	7·76
1857 - -	1,110	*2,627,288	338,025	25,924	89,577	59,103	7·77
1858 - -	1,114	*2,671,463	343,374	25,766	89,012	64,093	7·78
1859 - -	1,089	*2,715,638	348,723	27,263	92,909	61,860	7·79
1860 - -	1,056	*2,759,814	354,072	27,987	93,414	62,309	7·80
1861 - -	1,183	2,803,989	359,421	26,876	97,064	65,251	7·80
1862 - -	1,303	*2,851,145	366,045	28,839	97,850	67,371	7·79
1863 - -	1,404	*2,898,301	372,669	29,963	101,589	70,704	7·77
1864 - -	1,487	*2,945,457	379,293	*31,198	*103,989	*72,718	7·76
	23,934	60,362,450	7,857,667	609,240	1,994,608	1,461,973	7·68

* Marked thus are only estimated, but will be found sufficiently exact for the purposes of this Table.

GENERAL SUMMARY.

People to each Marriage.	People to each Birth.	People to each Death.	People to each Fire.	Houses to each Fire.	Marriages to each Fire.	Births to each Fire.	Deaths to each Fire.
103·7	34·2	41·1	2,800	379·47	26·9	81·8	68·0
105·2	32·9	41·5	2,800	377·50	26·6	84·9	67·3
109·3	32·0	42·5	2,588	347·28	23 6	80·8	60·9
107·1	32·2	40·6	2,725	362·32	25·3	83·9	66·8
101·5	31·7	40·0	2,720	361·81	26·7	85·4	67·9
95·6	31·6	43·2	2,990	395·08	31·2	94·4	69·2
95·3	03·4	43·0	2,584	340·93	27·1	85·3	60·1
101·3	32·1	37·1	2,628	345·28	25·8	81·7	70·7
106·5	31·3	38·7	2,780	363·94	26·0	88·7	71·8
103·0	31·3	33·1	2,720	354·76	26·4	86·7	82·0
95·2	31·1	47·4	2,673	347·48	28·0	84·8	56·3
90·5	30·1	42·5	2,546	329·67	28·1	84·3	59·7
90·8	29·6	44·0	2,607	337·24	28·6	88·0	59·1
89·2	29·7	40·7	2,723	351·81	30·5	91·3	66·7
95·4	29·3	33·8	2,618	337·85	27·4	89·0	77·3
101·4	29·6	40·9	2,585	333·32	25·4	87·1	63·0
99·1	29·5	45·1	2,699	347·62	27·2	91·3	59·8
101·3	29·3	44·4	2,356	304·52	23·3	80·7	53·2
103·6	30·0	41·6	2,398	308·23	23·1	79·9	57·5
99·6	29·2	43·8	2,494	320·22	25·0	85·3	56·8
98·6	29·5	44·2	2,613	335·29	26·5	88·4	59·0
104·3	28·8	42·9	2,370	303·82	22·7	82·0	55·1
98·8	29·1	42·3	2,188	280·92	22·1	75·0	51·7
96·7	28·5	40·9	2,064	265·42	21·3	72·3	50·3
94·4	28·3	40·5	1,980	255·08	20·9	69·9	48·9
99·0	30·2	41·2	2,522	328·30	25·4	83·3	61·0

(signed) *Eyre Massey Shaw*, Superintendent,
London Fire Engine Establishment.

Appendix, No. 12.

Appendix No. 12

COPY of a LETTER addressed to the Chairman by Mr. *Read*, a Member of the Committee.

My dear Sir, 18 July 1867.

I DO not think that we have had any evidence before our Committee of the amount of agricultural property consumed by the careless use, or rather abuse, of lucifer matches.

I have the authority of Sir Samuel Bignold, the Secretary of the Norwich Union Office, for the following statement: "that during the past three years the number of fires arising to agricultural property from the careless use of lucifer matches (chiefly caused by children of the labouring classes), was 133, and occasioned that office an expenditure of 13,462 *l.*" The amount of farming stock insured by the insurance companies of England amounts to just 70 millions, and of this sum the Norwich Union insures over 10 millions. It is only reasonable to suppose that other offices have sustained losses in the same ratio, and on this calculation the total average of the property destroyed will be over 30,000 *l.* a year,—an appalling sum to be thus wantonly sacrificed.

At a recent discussion of the Norfolk Chamber of Agriculture on this subject, the following resolution was unanimously adopted:—

> "That the careless use of lucifer matches has been the cause of an immense destruction of agricultural property, and operates to the increase of the charge for the insurance of such property; the Chamber, therefore, thinks it very desirable that some restriction should be placed upon the sale of matches which ignite otherwise than upon the chemically prepared surface of the box."

Notwithstanding the repeal of 3 *s.* per cent. fire insurance duty on farming stock in 1830, and the great diminution of incendiary fires of late years, the insurance offices have increased the premium on farming stock to 5 *s.* per cent., and they all declare that it is the worst description of property they insure, and threaten a further rise in their rates. There can be no doubt that the great majority of fires on farm premises owe their origin to the careless use of lucifer matches.

I am, &c.

(signed) *Clare Sewell Read.*

Peter McLagan, Esq., M. P.,
Chairman of the Fire Protection Committee.

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TO THE

REPORT

FROM THE

SELECT COMMITTEE

ON

FIRE PROTECTION.

Ordered, by The House of Commons, *to be Printed,*
25 *July* 1867.

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1. *Building Act and other Local Acts.*
2. *Water Supply and Fire Brigade Arrangements.*
3. *Cotton Fires.*
4. *Warehouses and Classification and Storage of Goods.*
5. *Petroleum, its Storage, Firing Point, &c.*

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are often not engines enough at large fires, *Becker* 2133–2137. 2357–2360——Waste of power in the engine from Chandos-street going to a small fire in Doctors Commons, *ib.* 2359. 2376–2378.

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3. *As to the Increase of the Brigade:*

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Petroleum, Paraffin, &c. (Mineral Oils):

1. *Inoperative Character of the present Petroleum Act.*
2. *Dangerous Character of Petroleum and other Mineral Oils, as sold in London for Illuminating Purposes; Experiments on the Subject.*
3. *Conclusions as to the Liability to Explosion and Fire in the case of Petroleum and other Oils.*
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6. *Petroleum Warehouses in or near London, and System of Storage.*
7. *Suggestions in regard to the Testing of Petroleum, &c.*
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10. *Practice in America as to the Igniting Point, and the Mode of Testing.*
11. *Doubt expressed as to the Necessity of any Legal Restriction.*
12. *Question of Retailers of Petroleum and other Mineral Oils being Licensed.*
13. *Other Details and Suggestions generally.*
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1. *Inoperative Character of the present Petroleum Act:*

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6. *Petroleum Warehouses in or near London, and System of Storage:*

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8. *Suggestions as to the Igniting Point*—continued.

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W.

WAREHOUSES:

1. *As to the Occurrence of Fires in Warehouses, and as to these being frequently caused by Warehouse Thieves.*
2. *As to the Construction of Warehouses, and the several Amendments required.*

1. *As to the Occurrence of Fires in Warehouses, and as to these being frequently caused by Warehouse Thieves:*

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WATER SUPPLY (METROPOLIS):

1. *As to the Supply available, and the Arrangements in Force, with reference to Fires.*
2. *Question whether the Firemen or Police should not act as Turncocks.*
3. *Question as to the Use of too much Water at Fires.*
4. *Water Bills; Check suggested.*
5. *Water Acts; their Deficiencies.*
6. *As to the Improved Arrangements required, and as to the Question of a Constant Supply.*

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TO THE

REPORT

FROM THE

SELECT COMMITTEE

ON

FIRE PROTECTIO

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SPECIAL

REPORT

FROM THE

SELECT COMMITTEE

ON THE

GALWAY HARBOUR (COMPOSITION OF DEBT) BILL.

Ordered, by The House of Commons, *to be Printed*,
18 *June* 1867.

Friday, 31*st May* 1867.

Standing Orders Committee—Resolution reported—

"That, in the case of the Galway Harbour (Composition of Debt) Bill, the Standing Orders ought to be dispensed with:—That the Bill be permitted to proceed, provided that a Notice of the objects of the Bill be published for two successive weeks in some one and the same newspaper published in the County of the Town of Galway:—That the Committee on the Bill do report how far such Order has been complied with on the Report of the Bill."

Monday, 3*rd June* 1867.

Galway Harbour (Composition of Debt) Bill, read a second time, and committed to a Select Committee of Eleven Members, Six to be nominated by The House, and Five by the Committee of Selection.

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Ordered, THAT Five be the Quorum of the Committee.

Tuesday, 4*th June* 1867.

Committee nominated of—

Major Gavin.	Lord Dunkellin.
Mr. Monsell.	Mr. Graves.
Mr. Gregory.	Mr. Read.

Friday, 7*th June* 1867.

Members nominated by the Committee of Selection,—

Mr. Gilpin.	Sir John Ogilvy.
Mr. Hartopp.	Mr. Pugh.
Mr. Howard.	

Tuesday, 18*th June* 1867.

Ordered, THAT the Committee have leave to make a Special Report.

SPECIAL REPORT.

THE SELECT COMMITTEE on the GALWAY HARBOUR (COMPOSITION OF DEBT) BILL, have agreed to the following SPECIAL REPORT:—

THAT, in the opinion of this Committee, it is desirable that the gates of the Graving Dock should be increased to 45 feet, so as to admit of extension at any future time, for the purpose of finding accommodation for any vessels disabled in the Atlantic; and, with this view, your Committee are of opinion, that the composition of the debt might be altered, so as to allow the additional cost of One thousand five hundred pounds involved in this change, to be incurred.

18 June 1867.

REPORT.

THE SELECT COMMITTEE on the GALWAY HARBOUR (COMPOSITION OF DEBT) BILL, have examined the allegations of the Bill, and found the same to be true; and that a notice of the objects of the Bill has been published for two successive weeks in one and the same newspaper published in the County of the Town of Galway, pursuant to the Order of the House; and have gone through the Bill, and made Amendments thereunto.

18 June 1867.

SPECIAL

REPORT

FROM THE

SELECT COMMITTEE

ON THE

GALWAY HARBOUR (COMPOSITION OF DEBT) BILL.

Ordered, by The House of Commons, *to be Printed*,
18 *June* 1867.

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MINUTES OF PROCEEDINGS

OF THE

SELECT COMMITTEE

ON THE

GAME LAWS (SCOTLAND) BILL.

Ordered, by The House of Commons, *to be Printed,*
8 *July* 1867.

Tuesday, 21*st May* 1867.

Ordered, THAT the Game Preservation (Scotland) Bill be read a second time, and committed to a Select Committee.

Ordered, THAT the Game Laws (Scotland) Bill be read a second time, and committed to the Select Committee on the Game Preservation (Scotland) Bill.

Tuesday, 4*th June* 1867.

Ordered, THAT the Committee do consist of Sixteen Members.

Committee nominated of,—

Mr. Moncreiff.
Sir Graham Montgomery.
Lord Elcho.
Mr. M'Lagan.
Sir William Stirling-Maxwell.
Sir Robert Anstruther.
Mr. Finlay.
Mr. Henry Baillie.
Mr. Fordyce.
Major Walker.
Mr. Robertson (Berwickshire).
Mr. Lamont.
Captain Speirs.

Ordered, THAT Five be the Quorum of the Committee.

Thursday, 6*th June* 1867.

Ordered, THAT Colonel Hamlyn Fane, Mr. Read, and Mr. Bonham-Carter, be added to the Committee.

Monday, 8*th July* 1867.

Ordered, THAT the Committee have leave to make a Special Report.

Ordered, THAT the Minutes of Proceedings be printed.

SPECIAL REPORT.

THE SELECT COMMITTEE to whom the GAME PREVENTION (SCOTLAND) and GAME LAWS (SCOTLAND) BILLS were referred;——HAVE agreed to the following SPECIAL REPORT:—

YOUR Committee having considered the two Bills referred to them, did not deem it expedient to proceed with the Game Preservation (Scotland) Bill.

REPORT

ON GAME PRESERVATION (SCOTLAND) BILL.

THE SELECT COMMITTEE to whom the GAME PRESERVATION (SCOTLAND) BILL was referred, have agreed to report the same without Amendment.

REPORT

ON GAME LAWS (SCOTLAND) BILL.

THE SELECT COMMITTEE to whom the GAME LAWS (SCOTLAND) BILL was referred, have gone through the Bill, and made Amendments thereunto.

PROCEEDINGS OF THE COMMITTEE.

Friday, 21*st June* 1867.

MEMBERS PRESENT:

Mr. Moncreiff.	Mr. Fordyce.
Mr. M'Lagan.	Mr. Lamont.
Sir Robert Anstruther.	Captain Speirs.
Mr. Finlay.	Mr. Henry Baillie.
Colonel Hamlyn Fane.	Major Walker.
Mr. Bonham-Carter.	Sir Graham Montgomery.
Mr. Read.	Sir William Stirling-Maxwell.

Mr. FINLAY was called to the Chair.

The Committee deliberated.

[Adjourned till Monday, 1st July, at One o'clock.

Monday, 1*st July* 1867.

MEMBERS PRESENT:

Mr. FINLAY in the Chair.

Mr. Moncreiff.	Sir Graham Montgomery.
Lord Elcho.	Mr. M'Lagan.
Captain Speirs.	Mr. Lamont.
Sir Robert Anstruther.	Mr. Read.
Colonel Fane.	Sir William Stirling-Maxwell.
Mr. Fordyce.	Mr. H. Baillie.

Motion made, and Question proposed, That the Committee do proceed with the Game Preservation (Scotland) Bill—(Mr. *Moncrieff*).—Amendment proposed, to leave out the words "Game Preservation (Scotland)," in order to insert the words "Game Laws (Scotland)"—(Sir *R. Anstruther*)—instead thereof.—Question put, That the words proposed to be left out stand part of the Question.—The Committee divided:

Ayes, 4.	Noes, 5.
Mr. Moncreiff.	Sir G. Montgomery.
Mr. M'Lagan.	Lord Elcho.
Mr. Fordyce.	Sir Robert Anstruther.
Captain Speirs.	Mr. Lamont.
	Colonel Fane.

Question, That the words "Game Laws (Scotland)" be there inserted—put, and *agreed to.*

Main Question, as amended—put, and *agreed to.*—*Resolved*, That the Committee do proceed with the Game Laws (Scotland) Bill.

The Preamble was *postponed.*

Clauses 1 and 2, *postponed.*

Clause 3.—Amendment proposed, to leave out from the word "lease" in line 21, to the

the end of the clause—(Mr. *Fordyce*).—Question put, That the word "where" stand part of the clause.—The Committee divided:

Ayes, 6.	Noes, 3.
Mr. Moncreiff.	Mr. M'Lagan.
Sir Graham Montgomery.	Mr. Fordyce.
Lord Elcho.	Captain Speirs.
Sir Robert Anstruther.	
Mr. Lamont.	
Colonel Fane.	

Another amendment proposed, after the word "where," to leave out the words "the game is not," and to insert the words "the exclusive right of killing hares is not specially"—(Mr. *Moncreiff*)—instead thereof.—Question, That the words proposed to be left out stand part of the clause—put, and *negatived*.—Question, That those words be there inserted—put, and *agreed to*.—Clause, as amended, *agreed to*.

Clause 4, *disagreed to*.

Clauses 5 and 6, *postponed*.

Clause 7, *disagreed to*.

Clause 8.—Question put, That this clause stand part of the Bill.—The Committee divided:

Ayes, 5.	Noes, 6.
Lord Elcho.	Mr. Moncreiff.
Sir Graham Montgomery.	Mr. M'Lagan.
Mr. Baillie.	Sir W. Stirling-Maxwell.
Mr. Lamont.	Sir Robert Anstruther.
Colonel Fane.	Mr. Fordyce.
	Captain Speirs.

Clauses 9 and 10, *disagreed to*.

[Adjourned till Wednesday next, at One o'clock.

Wednesday, 3rd July 1867.

MEMBERS PRESENT:

Mr. FINLAY in the Chair.

Sir Wm. Stirling-Maxwell.	Mr. M'Lagan.
Major Walker.	Mr. Fordyce.
Mr. Read.	Captain Speirs.
Sir Graham Montgomery.	Mr. Baillie.
Mr. Lamont.	Colonel Fane.
Lord Elcho.	Sir Robert Anstruther.
Mr. Robertson.	

Clause 11.—Question put, That this clause stand part of the Bill.—The Committee divided:

Ayes, 9.	Noes, 4.
Major Walker.	Sir W. Stirling-Maxwell.
Mr. Read.	Mr. Fordyce.
Sir Graham Montgomery.	Captain Speirs.
Mr. Lamont.	Sir R. Anstruther.
Lord Elcho.	
Mr. Robertson.	
Mr. M'Lagan.	
Mr. H. Baillie.	
Colonel Fane.	

The Committee proceeded with the postponed Clauses.

Clause 5.—Question, That Clause 5 stand part of the Bill—put, and *negatived*.

New Clause—(Sir *Graham Montgomery*)—brought up, and read the first time, as follows:—

follows:—"A tenant who shall kill hares or rabbits in pursuance of this Act, shall not thereby become liable to pay any assessed taxes, nor shall he be bound as a qualification for so killing hares or rabbits, to take out any license under the Act 22 & 23 Vict. cap. 90."—Clause read a second time, and *added.*

Clause 6, further *postponed.*

[Adjourned till Monday next, at One o'clock.

Monday, 8th July 1867.

MEMBERS PRESENT:

Mr. FINLAY in the Chair.

Mr. Moncreiff.	Mr. Robertson.
Sir W. Stirling-Maxwell.	Mr. M'Lagan.
Major Walker.	Mr. Fordyce.
Mr. Read.	Captain Speirs.
Sir Graham Montgomery.	Mr. Baillie.
Mr. Lamont.	Mr. Bonham-Carter.
Lord Elcho.	

Postponed Clause 6.—Question, That this Clause stand part of the Bill—put, and *negatived.*

New Clause.—"Any tenant of lands entitled to kill hares or rabbits by virtue of this Act, may, by writing under his hand, appoint not more than one person to kill hares and rabbits thereon, such person to be approved of by the landlord; and such person shall not be required to take out any license, or be liable to any duty of assessed taxes as a game keeper, or be deemed or be taken to be a trespasser in terms of the Act of the second and third years of his late Majesty King William, chapter sixty-eight"—(Mr. *Robertson*)—brought up, read the first and second time, and *added.*

New Clause.—"From and after the passing of this Act, the provisions of the Game Acts shall not apply to the taking, killing, or destroying of hares or rabbits by tenants, or by any person authorised by them, on the lands occupied by the said tenants; and the said tenants, or any person authorised by them, shall be entitled to kill hares and rabbits on the lands occupied by them"—(Mr. *M'Lagan*)—brought up, and read the first time, and, by leave, *withdrawn.*

Postponed Clause 12.—Question, That this Clause stand part of the Bill—put, and *negatived.*

New Clause.—"Nothing in this Act shall affect the rights of parties under contracts the occupation under which shall have commenced before the passing of this Act, or affect any leases of game existing at the date of the passing thereof"—brought up, and read the first and second time, and *added.*

New Clause.—"From and after the passing of this Act all offences against the game laws now cognizable by justices of the peace shall, notwithstanding anything in those laws contained, be inquired into and determined by the sheriff or sheriff substitute of the county, or of any district of the county where the offence shall be committed, and the powers and jurisdiction of justices of the peace and quarter sessions under those laws shall cease and determine; and all powers, authority, and jurisdiction given by any of those laws to justices of the peace shall henceforth be vested in and exercised by the sheriff or sheriff substitute as aforesaid; and any forms, styles, or procedure applicable to prosecutions or proceedings before justices of the peace shall, *mutatis mutandis*, be applicable to prosecutions and proceedings before the sheriff or sheriff substitute as aforesaid; and it shall be competent for the prosecutor, or for the defender or party accused who shall have been brought before the sheriff substitute, in the first instance to appeal to the sheriff from the decision of the sheriff substitute in all cases in which it is declared by any of the game laws that it shall be competent to appeal from the decision of the justices to the quarter sessions, and subject to the same regulations as are provided in the said game laws"—(Mr. *M'Lagan*)—brought up, and read the first and second time.—Question put, That this clause be added to the Bill.—The Committee divided:

Ayes, 5.	Noes, 5.
Mr. Moncreiff.	Sir W. Stirling-Maxwell.
Mr. Roberts.	Sir Graham Montgomery.
Mr. M'Lagan.	Mr. Lamont.
Mr. Fordyce.	Lord Elcho.
Captain Speirs.	Mr. Baillie.

Whereupon the Chairman declared himself with the Noes.

New

New Clause.—"From and after the passing of this Act any person who has been or shall be prosecuted for any act or acts as constituting an offence under any one or more of the game laws, shall not be liable to be again prosecuted for the same act or acts as constituting an offence under the same or any other of the game laws"—(Mr. *M'Lagan*)—brought up, and read the first time, and, by leave, *withdrawn.*

New Clauses.—"1. If, in any written lease, the landlord shall reserve the exclusive right of killing hares or rabbits, the tenant shall be entitled to recover from the landlord any damage done by hares or rabbits, in manner following:

"2. The tenant shall be entitled to apply by summary petition to the sheriff of the county in which the lands lie, setting forth the terms of the lease, and the particulars of the damage complained of, and praying for a valuation and for payment of the amount; he shall also produce with such petition the lease, or an extract thereof, containing such reservation.

"3. On considering such petition the sheriff shall appoint it to be intimated to the landlord in common form, and shall forthwith, after the interval of 10 days from the date of the presenting of such petition, and with or without answers, appoint a valuator to value such damage; and the report of such valuator, on being approved of by the sheriff, and the judgment of the sheriff, approving, altering, or rejecting the same, shall be final, and shall not be subject to review.

"4. It shall be competent to either party to be heard before the sheriff, in support of, or in objection to, the report of the valuator; but it shall not be competent to take any further evidence; provided that the sheriff may remit to the valuator, to reconsider his report, and may resume consideration of his report, with any alteration he may have made thereon.

"5. If the tenant complain that the growing crop has been injured by hares or rabbits' he shall give notice of such damage to the landlord before the crop is reaped, and, if required by the landlord, shall make his application to the sheriff for the appointment of a valuator, so that the valuator shall see the crop while on the ground.

"6. In all such leases the landlord shall not be entitled to allege, in answer to the tenant's claim for damage, that the lands were injured by hares or rabbits at the commencement of the lease, unless the amount of such injury is stated in the lease, and allowed as a deduction from the rent"—(Mr. *Moncreiff*)—brought up, and read the first time, and, by leave, *withdrawn.*

New Clause.—"It shall be lawful for a tenant, notwithstanding any clause in his lease, or agreement of lease, by which he may be taken bound to preserve the game, hares, or rabbits, on the land leased to him, and to have no claim against the proprietor for injury arising from any excess of game, and the consequent damage thereby occasioned to him, however great, in every case, and whether there be any such or similar clause in any existing lease, or may be inserted in any future lease, whenever the excess of game in any one year or season is such that the tenant avers the same has occasioned great damage and loss to him, not sooner than the 1st nor later than the last day of February, to apply, by summary petition to the sheriff of the county, in which all or the greater part of the lands forming the subject of the lease, are situated, and who shall forthwith issue his warrant for calling the landlord or his known factor or agent, before him, on an inducia of not less than six, nor more than 10 days.

"The sheriff forthwith shall hear parties or their procurators orally, on said application; and in the event of their not then arranging the matter in dispute, and the application being thereon withdrawn, they shall then be called on to concur in the appointment of a single valuator or referee, to whom such dispute shall be referred, each to name one valuator or referee; and in that case, the referees so appointed, before they enter upon the matter referred to them, shall nominate and appoint by writing, under their hands, an overman, to decide on such matters, on which they may differ.

"In the event of appearance not being made by, or for the landlord, or the parties failing so to name a referee or referees, the sheriff shall, by a writing under his hand, nominate and appoint one such valuator and referee, who shall forthwith make oath faithfully to exercise the duty so devolved on him.

"The valuators and referees so named and appointed, shall, on due notice to the parties or their agents, visit and inspect the land, hear parties, and may call for the production of all books, accounts, and papers, and examine the parties and their witnesses on oath, and administer the oaths necessary for that purpose, and take all evidence competent according to the law of Scotland, for fully ascertaining the subject of reference.

"The valuators and referees so named and appointed, within one month from the date of their appointment (unless the time be extended by the sheriff on cause shown), shall report their award to the sheriff, and should they find that the damage sustained by the tenant by excess of game in the previous season amounts to more than 5 per cent. on the rent and value of services for that year and crop, then they shall estimate the amount of the damage so sustained, over and above such per centage, and if called on, shall support their award on oath.

"The sheriff shall thereupon interpone his authority to the said report, and award and find the tenant entitled to deduction of the ascertained amount of damage, beyond such per centage from the rent of the said crop and year, and the same shall found a good and valid ground of credit, in any action of accounting, and to support an action for payment, any clause in any lease or contract to the contrary notwithstanding.

"It shall be competent to the sheriff to award to either party, all or a part of the costs of the application, including the fees payable to the valuators or referees, and other expenses incident thereto.

"No award made under this Act shall be set aside for irregularity or error in point of form, and the decision and decree of the sheriff shall be final and conclusive, and subject to no review whatever—(Mr. *Fordyce*)—read the first and second time.—Question put, That this clause be added to the Bill.—The Committee divided:

Aye, 1.	Noes, 8.
Mr. Fordyce.	Sir W. Stirling-Maxwell. Sir Graham Montgomery. Mr. Lamont. Lord Elcho. Mr. Robertson. Mr. M'Lagan. Captain Speirs. Mr. Baillie.

Postponed Clause 1.—Question, That this clause stánd part of the Bill—put, and *agreed to.*

Postponed Clause 2.—Question, That this clause stand part of the Bill—put, and *agreed to.*

Motion made, and Question proposed, That the Preamble be amended by striking out the words "to assimilate the law of Scotland with the law of England"—(Lord *Elcho*).—Question, That the words proposed to be left out stand part of the Preamble—put, and *negatived.*

Question, That the Preamble, as amended, be the Preamble of the Bill—put, and *agreed to.*

Bill, as amended, to be reported.

Ordered, To Report.

Game Preservation (Scotland) Bill.

Special Report proposed by the Chairman, read the first and second time, and *agreed to.*

Ordered, To Report.

MINUTES OF PROCEEDINGS

OF THE

SELECT COMMITTEE

ON THE

GAME LAWS (SCOTLAND) BILL.

Ordered, by The House of Commons, *to be Printed,*
8 *July* 1867.

426.

Under 1 *oz.*

REPORT

FROM THE

SELECT COMMITTEE

ON

LIMITED LIABILITY ACTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

APPENDIX, AND INDEX.

Ordered, by The House of Commons, *to be Printed,*
28 *May* 1867.

329.

Tuesday, 5th March 1867.

Ordered, THAT a Select Committee be appointed to inquire into the operation of the Limited Liability Acts.

Friday, 8th March 1867.

Committee nominated of,—

Mr. Watkin.	Mr. Graves.
Mr. Goschen.	Mr. Solicitor General.
Lord Frederick Cavendish.	Mr. Lowe.
Mr. George Grenfell Glyn.	Mr. Finlay.
Mr. Brett.	Mr. Alderman Salomons.
Lord Robert Montagu.	Sir Graham Montgomery.
Mr. Stephen Cave.	Mr. Vance.
Mr. Hubbard.	

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Ordered, THAT Five be the Quorum of the Committee.

Monday, 11th March 1867.

Ordered, THAT the Committee do consist of 16 Members:—Mr. *William Edward Forster* added to the Committee.

Tuesday, 12th March 1867.

Ordered, THAT the Committee do consist of 17 Members:—Mr. *Kirkman Hodgson* added to the Committee.

Monday, 8th April 1867.

Ordered, THAT Mr. *George Grenfell Glyn* be discharged from further attendance on the Committee.

Ordered, THAT Mr. *Morrison* be added to the Committee.

Tuesday, 28th May 1867.

Ordered, THAT the Committee have power to report their opinion, together with the Minutes of Evidence taken before them, to The House.

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REPORT.

THE SELECT COMMITTEE appointed to inquire into the Operation of the LIMITED LIABILITY ACTS;——HAVE considered the Matters to them Referred, and have come to the following RESOLUTIONS, which they have agreed to Report to the House.

THAT all Companies should hold a general meeting of shareholders within four months of the date of the registration of Company.

That the Companies hereafter to be formed may, by the Memorandum of Association, and Companies already formed may, by special resolution, agree to carry on business on the terms that certain shareholders thereof may be responsible to the extent of the whole of their means, whilst the rest of the members of the Company are liable only to the extent of the shares held by them; such Companies, nevertheless, to continue to be called "Limited."

That Companies may, if they think fit, have a portion of their shares paid up in full, the remainder not being so paid up.

That as regards all shares paid up in full, it shall be competent for Companies, if they think fit, to issue certificates to bearer, so that the shares may be transferable by delivery.

That the seller of shares may claim a registration of the shares into the name of the buyer, upon producing an acceptance of those shares signed by the buyer.

That the law concerning the mode of contracting, so as to bind companies by their agents, should be amended by introducing clause 41 of 19 & 20 Vict., c. 47.

That the Court, before which a petition for winding up shall be brought, shall have power to refer the simpler cases of liquidation to such county court as it may direct, under the order of the said Court.

That a petition to the Court to wind up a Company, if presented by shareholders, should be signed by one or more shareholders, who are either original allottees of shares or whose names have been on the register as shareholders, for a period of not less than six months.

That Companies should be allowed to reduce their capital, or to reduce the amount of their shares, or to reduce both their capital and their shares, on the following conditions:

a. Notice shall be given to the Registrar of Joint Stock Companies.

b. Notice shall be given by advertisement or otherwise in such manner as the Board of Trade may direct.

c. That the consent of all parties, being creditors of the Company at the date of the reduction, be obtained.

d. Or that the claims of such creditor be discharged.

e. Or that in cases of the absence or legal incapacity of creditors, that the amount in cash, of their claims, be invested in Government securities, or placed in the Bank of England in the names of trustees, under conditions to be approved by the Board of Trade.

That it is highly desirable that a Bill should be brought in by the Government in the present Session, to carry out the alterations of the law proposed in the foregoing Resolutions.

28 *May* 1867.

PROCEEDINGS OF THE COMMITTEE.

Tuesday, 12*th March* 1867.

MEMBERS PRESENT:

Mr. Watkin.	Mr. Alderman Salomons.
Mr. George Grenfell Glyn.	Mr. Finlay.
Sir Graham Montgomery.	Mr. Cave.
Mr. Lowe.	Mr. Goschen.
Lord Frederick Cavendish.	

Mr. WATKIN was called to the Chair.

The Committee deliberated.

[Adjourned to Tuesday next, at One o'clock.

Tuesday, 19*th March* 1867.

MEMBERS PRESENT:

Mr. WATKIN in the Chair.

Mr. Cave.	Lord Frederick Cavendish.
Mr. Hubbard.	Mr. Goschen.
Sir Graham Montgomery.	Mr. Finlay.
Mr. W. E. Forster.	Mr. Hodgson.
Mr. Graves.	Mr. Solicitor General.
Mr. Lowe.	

The Hon. *E. C. Curzon* and Mr. *Charles Wordsworth*, Q.C., were examined.

[Adjourned to Friday next, at One o'clock.

Friday, 22*nd March* 1867.

MEMBERS PRESENT:

Mr. WATKIN in the Chair.

Mr. W. E. Forster.	Mr. Vance.
Lord Frederick Cavendish.	Sir Graham Montgomery.
Mr. Goschen.	Mr. Finlay.
Mr. Lowe.	

Mr. *Charles Wordsworth*, Q.C., and Mr. *William Newmarch*, F.R.S., were examined.

[Adjourned to Tuesday next, at One o'clock.

Tuesday, 26*th March* 1867.

MEMBERS PRESENT:

Mr. WATKIN in the Chair.

Mr. Finlay.	Mr. Graves.
Mr. Hodgson.	Mr. Solicitor General.
Mr. Cave.	Mr. Lowe.
Mr. Vance.	Mr. Glyn.
Lord Frederick Cavendish.	Sir Graham Montgomery.

Mr. *William Richard Drake*, Mr. *Thomas Webster*, Q.C., and Mr. *David Chadwick*, were severally examined.

[Adjourned to Friday next, at One o'clock.

Friday, 29*th March* 1867.

MEMBERS PRESENT:

Mr. WATKIN in the Chair.

Mr. Finlay.	Mr. Goschen.
Mr. Graves.	Mr. Kirkman Hodgson.
Mr. W. E. Forster.	Mr. Cave.
Lord Frederick Cavendish.	Mr. Solicitor General.
Mr. Alderman Salomons.	Mr. Lowe.

Mr. *William Knapp Henderson*, examined.
Mr. *William Newmarch*, further examined.
Mr. *George Lathom Browne*, examined.

[Adjourned to Wednesday next, at Two o'clock.

Wednesday, 3*rd April* 1867.

MEMBERS PRESENT:

Mr. WATKIN in the Chair.

Mr. Cave.	Lord Frederick Cavendish.
Sir Graham Montgomery.	Mr. Solicitor General.
Mr. Finlay.	Mr. Lowe.
Mr. Vance.	Mr. Alderman Salomons.
Mr. W. E. Forster.	Mr. Kirkman Hodgson.
	Mr. Hubbard.

Mr. *George Lathom Browne* and the Lord *Romilly* (attending by permission of the House of Lords) were severally examined.

[Adjourned to Tuesday next, at One o'clock.

Tuesday, 9*th April* 1867.

MEMBERS PRESENT:

Mr. WATKIN in the Chair.

Mr. Morrison.	Mr. Cave.
Mr. Hubbard.	Mr. Lowe.
Mr. Graves.	Mr. Alderman Salomons.
Mr. Finlay.	Lord Frederick Cavendish.

Mr. *Edmund Boyle Church*, Mr. *Swinton Boult*, and Mr. *Henry Barry*, were severally examined.

[Adjourned to Friday next, at One o'clock.

Friday, 12*th April* 1867.

MEMBERS PRESENT:

Mr. WATKIN in the Chair.

Sir Graham Montgomery.	Mr. Morrison.
Mr. Finlay.	Lord Frederick Cavendish.
Mr. Hubbard.	Mr. Alderman Salomons.
Mr. Graves.	Mr. Solicitor General.
Mr. Cave.	Mr. Lowe.

Sir *William Page Wood* and Mr. *John Howell* were severally examined.

[Adjourned to Tuesday, 30th April, at One o'clock.

Tuesday, 30*th April* 1867.

MEMBERS PRESENT:

Mr. WATKIN in the Chair.

Mr. Goschen.	Mr. W. E. Forster.
Mr. Morrison.	Mr. Alderman Salomons.
Lord Frederick Cavendish.	Mr. Solicitor General.
Mr. Lowe.	

Mr. *Henry Thring*, examined.

Hon. *Edward Cecil Curzon*, further examined.

Room cleared.

Committee deliberated.

[Adjourned to Tuesday next, at One o'clock.

Tuesday, 7*th May* 1867.

MEMBERS PRESENT:

Mr. WATKIN in the Chair.

Mr. Lowe.	Mr. W. E. Forster.
Lord Frederick Cavendish.	Mr. Goschen.
Mr. Brett.	Mr. Graves.
Mr. Finlay.	Mr. Cave.
Mr. Morrison.	Sir Graham Montgomery.
Mr. Alderman Salomons.	

Room cleared.

Committee deliberated.

Motion made, and Question, "That Mr. Chaytor be examined"—(Mr. Alderman *Salomons*)—put, and *agreed to.*

Parties called in.

Mr. *Matthew Hutton Chaytor* and Mr. *Henry David Pochin* were severally examined.

Room cleared.

Committee deliberated.

[Adjourned to Thursday, 23rd May, at One o'clock.

Thursday, 23rd May 1867.

MEMBERS PRESENT:

Mr. WATKIN in the Chair.

Mr. Lowe.	Mr. Alderman Salomons.
Mr. Forster.	Sir Graham Montgomery.
Lord Frederick Cavendish.	Mr. Goschen.
Mr. Brett.	Mr. Cave.
Mr. Vance.	Mr. Kirkman Hodgson.
Mr. Morrison.	Mr. Solicitor General.

The Committee deliberated.

The Resolutions to be proposed by the Chairman were read as follows:—

1. "That, whenever shares are allotted to any person, a printed copy of the memorandum and articles of association, and of any other schedules or documents which bind the company, must be sent to him with the letter of allotment.

2. "That, all companies should hold a general meeting of shareholders within four months of the date of the registration of the company.

3. "That, all companies should be compelled to supply to any shareholder who applies for it a list of the names, occupations, and addresses, of the persons registered as shareholders whose shares are not fully paid up, together with the number of shares held by each of such persons.

4. "That, all companies consisting of more than 20 (?) members, and having more than 1000*l.* (?) nominal capital, should be compelled to send, to any member who applies for it, a short-hand writer's report of the proceedings of every general meeting.

5. "That, it should be made clear that companies may, if they think fit, adopt the principle of commandite partnership, that is to say, carry on business under the chief control of a manager, responsible to the extent of the whole of his means, while the rest of the members of the company are responsible only to the extent of the shares held by them.

6. "That, companies may, if they think fit, have a portion of their shares paid up in full, the remainder not being so paid up.

7. "That, as regards all shares paid up in full, it shall be competent for companies, if they think fit, to issue certificates to bearer, so that the shares may be transferable by delivery.

8. "That, the law should be so modified as to enable the vendor of a share to have the transfer registered immediately upon sale.

9. "That, the law should be so amended as to remove any doubt concerning the validity as against the company of a contract not under seal of the company entered into by its duly authorised officers or agents.

10. "That, associations, such as chambers of commerce, not formed for purposes of trade or profit, which are now unwilling to obtain the protection of the Act of 1862, because the present law prescribes the use of the word 'limited,' should be allowed to substitute the word 'incorporated.'

11. "That, the county courts in the country may, with advantage, be employed in the simpler cases of liquidation.

12. "That, a petition to the court to wind up a company, if presented by shareholders, should be signed by persons holding not less than one-twentieth part of the capital of the company, and who have held their shares for a period of not less than three months.

13. "That, companies should be allowed to reduce their capital, or to reduce the amount of their shares, or to reduce both their capital and their shares, on the following conditions:—

"(*a.*) Notice shall be given to the Registrar of Joint Stock Companies.

"(*b.*) Notice shall be given by advertisement, or otherwise, in such manner as the Board of Trade may direct.

"(*c.*) That the consent of all parties, being creditors of the company at the date of the reduction, be obtained.

"(*d.*) Or that the claims of such creditors be discharged.

(*e.*) Or

"(*e.*) Or that in cases of the absence or legal incapacity of creditors, that the amount in cash of their claims, be invested in Government securities, or placed in the Bank of England in the names of trustees under conditions to be approved by the Board of Trade."

1. Motion made, and Question proposed, "That it is the opinion of this Committee, that whenever shares are allotted to any person, a printed copy of the memorandum and articles of association, and of any other schedules or documents which bind the company, must be sent to him with the letter of allotment."—Amendment proposed, to leave out from the word "that," in line 1, in order to add the words, "Copies of the articles of association as registered be printed and kept at the offices of the company, to be sold at a price not exceeding one shilling, to any person who may apply for an allotment of shares"—(Mr. Alderman *Salomons.*)—instead thereof.—Question put, That the words proposed to be left out stand part of the Question.—The Committee divided:

Ayes, 3.	Noes, 8.
Mr. Cave.	Mr. Goschen.
Sir Graham Montgomery.	Lord Frederick Cavendish.
Mr. Vance.	Mr. Brett.
	Mr. Lowe.
	Mr. Alderman Salomons.
	Mr. W. E. Forster.
	Mr. Kirkman Hodgson.
	Mr. Morrison.

Question put, That the proposed words be there added.—The Committee divided:

Ayes, 1.	Noes, 10.
Mr. Alderman Salomons.	Mr. Goschen.
	Lord Frederick Cavendish.
	Mr. Brett.
	Mr. Cave.
	Mr. Lowe.
	Sir Graham Montgomery.
	Mr. Vance.
	Mr. W. E. Forster.
	Mr. Kirkman Hodgson.
	Mr. Morrison.

2. Motion made, and Question, "That all companies should hold a general meeting of shareholders within four months of the date of the registration of the company"—put, and *agreed to.*

3. Motion made, and Question, "That all companies should be compelled to supply to any shareholder who applies for it, a list of the names, occupations, and addresses of the persons registered as shareholders, whose shares are not fully paid up, together with the number of shares held by each of such persons"—put, and *negatived.*

4. Motion made, and Question, "That all companies consisting of more than 20 (?) members, and having more than 1,000*l.* (?) nominal capital, should be compelled to send, to any member who applies for it, a short-hand writer's report of the proceedings of every general meeting"—put, and *negatived.*

5. Motion made, and Question proposed, "That it should be made clear that companies may, if they think fit, adopt the principle of commandite partnership, that is to say, carry on business under the chief control of a manager, responsible to the extent of the whole of his means, while the rest of the members of the company are responsible only to the extent of the shares held by them":—Amendment proposed, To leave out from the word "That," in line 1, in order to add the following words, "The companies hereafter to be formed may, by the memorandum of association, and companies already formed may, by special resolution, agree to carry on business on the terms, that certain shareholders thereof may be responsible to the extent of the whole of their means, whilst the rest of the members of the company are liable only to the extent of the shares held by them: such companies, nevertheless, to continue to be called 'limited'"—(Mr. *Brett*)—instead thereof:—Question, That the words proposed to be left out stand part of the Question—put, and *negatived.*

Question, That the proposed words be there added—put, and *agreed to.*

Main Question, as amended,—*agreed to.*

6. Motion made, and Question, "That companies may, if they think fit, have a portion of their shares paid up in full, the remainder not being so paid up"—put, and *agreed to.*

7. Motion made, and Question, "That, as regards all shares paid up in full, it shall be competent for companies, if they think fit, to issue certificates to bearer, so that the shares may be transferable by delivery"—put, and *agreed to.*

8. Motion made, and Question proposed, "That the law should be so modified as to enable the vendor of a share to have the transfer registered immediately upon sale."—Amendment proposed, to leave out from the word "That," in order to add the words, "The seller of shares may claim a registration of the shares into the name of the buyer, upon producing an acceptance of those shares, signed by the buyer"—(Mr. *Lowe*)—instead thereof:—Question, That the words proposed to be left out stand part of the Question—put, and *negatived.*

Question, That the proposed words be there added—put, and *agreed to.*

Main Question, as amended—*agreed to.*

9. Motion made, and Question proposed, "That the law should be so amended as to remove any doubt concerning the validity, as against the company, of a contract not under the seal of the company, entered into by its duly authorised officers or agents."—Amendment proposed, to leave out from the words "That the law," in order to add the words "Concerning the mode of contracting, so as to bind companies by their agents, should be amended by introducing Clause 41 of 19 & 20 Vict. c. 47—(Mr. *Brett*)—instead thereof:—Question, That the word proposed to be left out stand part of the Question—put, and *negatived.*

Question, "That the proposed words be there added:"—put, and *agreed to.*

Main Question, as amended,—put, and *agreed to.*

10. Motion made, and Question put,—"That associations, such as Chambers of Commerce, not formed for the purposes of trade or profit, which are now unwilling to obtain the protection of the Act of 1862, because the present law prescribes the use of the word "limited" should be allowed to substitute the word "incorporated."—The Committee divided:

Ayes, 5.	Noes, 7.
Mr. Brett.	Mr. Goschen.
Mr. Cave.	Lord Frederick Cavendish.
Mr. Solicitor General.	Mr. Lowe.
Mr. Alderman Salomons.	Mr. Vance.
Sir Graham Montgomery	Mr. W. E. Forster.
	Mr. Kirkman Hodgson.
	Mr. Morrison.

11. Motion made, and Question proposed—"That the county courts in the country may with advantage be employed in the simpler cases of liquidation:"—Amendment proposed, to leave out from the words "That the" in order to add the words "Court before which a petition for winding-up shall be brought, shall have power to refer the simpler cases of liquidation to such county court, as it may direct, under the order of the said court"—(Mr. *Solicitor General*)—instead thereof.—Question, That the words proposed to be left out stand part of the Question,—put, and *negatived.*

Question, That the proposed words be there added.—The Committee divided:

Ayes, 5.	Noes, 4.
Mr. Cave.	Mr. Goschen.
Mr. Solicitor General.	Mr. Brett.
Mr. Alderman Salomons.	Mr. Lowe.
Mr. W. E. Forster.	Mr. Vance.
Mr. Kirkman Hodgson.	

Main Question, as amended,—put, and *agreed to.*

Adjourned to Tuesday next, at One o'clock.

Tuesday, 28th May 1867.

MEMBERS PRESENT:

Mr. WATKIN in the Chair.

Mr. Alderman Salomons.	Mr. Morrison.
Mr. Goschen.	Lord Frederick Cavendish.
Mr. Cave.	Mr. W. E. Forster.
Mr. Finlay.	Sir Graham Montgomery.
Mr. Graves.	Mr. Lowe.

The Committee deliberated.

12. Motion made, and Question proposed, "That a petition to the Court to wind up a company, if presented by shareholders, should be signed by persons holding not less than one-twentieth part of the capital of the company, and who have held their shares for a period of not less than three months."—Amendment proposed, To leave out from the words "signed by," in order to add the words "one or more shareholders who are either original allottees of shares, or whose names have been on the Register as shareholders for a period of not less than six months"—(Mr. *Morrison*).—Question, "That the words proposed to be left out stand part of the Question—put, and *negatived*.—Question, That the proposed words be there added—put, and *agreed to*.—Words added.—Main Question, as amended—put, and *agreed to*.

13. Motion made, and Question, "That companies should be allowed to reduce their capital, or to reduce the amount of their shares, or to reduce both their capital and their shares, on the following conditions:

"(*a*.) Notice shall be given to the Registrar of Joint Stock Companies.

"(*b*.) Notice shall be given by advertisement or otherwise in such manner as the Board of Trade may direct.

"(*c*.) That the consent of all parties, being creditors of the company at the date of the reduction, be obtained:

"(*d*.) Or that the claims of such creditors be discharged:

"(*e*.) Or, that in cases of the absence or legal incapacity of creditors, that the amount in cash of their claims be invested in Government Securities, or placed in the Bank of England in the names of trustees under conditions to be approved by the Board of Trade"—put, and *agreed to*.

Motion made, and Question, "That it is highly desirable that a Bill should be brought in by the Government in the present Session to carry out the alterations of the law proposed in the foregoing resolutions"—(The *Chairman*)—put, and *agreed to*.

Question, "That these resolutions, together with the Minutes of Evidence, be reported to the House"—put, and *agreed to*.

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Tuesday, 19*th March* 1867.

MEMBERS PRESENT:

Mr. Stephen Cave.
Lord Frederick Cavendish.
Mr. Finlay.
Mr. W. E. Forster.
Mr. Goschen.
Mr. Graves.
Mr. Kirkman Hodgson.
Mr. Hubbard.
Mr. Lowe.
Sir Graham Montgomery.
Mr. Solicitor General.
Mr. Watkin.

EDWARD WILLIAM WATKIN, Esq., IN THE CHAIR.

THE HONOURABLE EDWARD CECIL CURZON, called in; and Examined.

The Hon. *E.C.Curzon.*

19 March 1867.

1. Mr. *Stephen Cave.*] YOU are Registrar of Joint Stock Companies, are you not?—I am.

2. Where is your office?—At No. 13, Serjeant's Inn, Fleet-street.

3. Will you be kind enough to tell the Committee exactly the system upon which you operate?—Every company which wishes to be registered has to produce to me a memorandum and articles of association, both of which must be signed by the same persons, seven in number. The memorandum contains the objects for which the company is formed, and the articles contain the regulations by which they intend to carry out their objects. The memorandum cannot be altered, but the articles may be altered by special resolutions.

4. Who brings this memorandum and those articles to you?—They generally come through agents as a rule, but occasionally persons who are themselves interested in them bring them.

5. When you get them, what do you do with them?—I examine them first of all to see that they are in conformity with the requirements of the Act; and if so, they are registered as a matter of course; but if not, they are returned for correction.

6. When you say that you examine them to see that they are according to the requirements of the Act, how far does your examination go?—It goes to the extent of seeing that the exact requirements which the Act points out have been complied with; neither more nor less. The chief difficulty in general is to prevent people from stating their objects so vaguely, as to make them incomprehensible; and I have great difficulty in preventing their putting in words which would enable them to convert, we will say, a bank into a brewery, as observed by the court: Re Barned's Bank, Peel's case. Weekly Report 15, p. 391. In the Rolls.

7. Will you state precisely the requirements of the Act which you specially enforce, or endeavour to enforce?—They are stated in the 8th section of the Act. They have first of all to put down the name of the proposed company, with the word "Limited." Then they have to state the part of the United Kingdom in which the office of the company is to be, as a guide to where it is to be registered. If it is in Scotland, it has to be registered there; if in Ireland, it has to be registered there; or if in the Stannaries, or in England, it has to be registered in England, at Truro, or in London, as the case may be. Then the next head is, the objects for which it is established, whether for banking purposes, or for a railroad, or whatever it may be. Then there is a declaration that the liability is limited. Then there is a statement of the amount of capital divided into shares, and the amount into which the shares are to be divided; and frequently they have attempted to put in something more, which I have always refused.

8. *Chairman.*] I think that before your time there was no check such as you have instituted?—I find that before my time those objections were very often raised, and then people came in and said, "Oh, we will take the responsibility, if you will only get it through;" because the agents only care about getting their fees.

9. You made the examination more severe, did you not?—I have made it more severe; I thought

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thought that I was not justified in taking anything beyond what the Act authorised.

10. Mr. *Stephen Cave.*] Then the points upon which you examine into those articles and memorandum are whether the name has the word "Limited" after it, and in what part of the kingdom it is intended to carry on operations?—No; in what part of the kingdom the registered office is to be. The operations may be carried on anywhere, all over the world.

11. You also examine into the objects for which the company is formed, and the amount of capital, do you not?—The declaration that the liability of the members is limited, and the amount of capital.

12. How do you then proceed to verify those points?—There is nothing to verify. It is a simple statement of facts.

13. But do you take the facts for what they are worth, as they are given to you?—Yes.

14. All that you see is that they are correct on the face of them, and that they do not deviate in form from the forms prescribed by the Act, is that so?—That is so; but the objects are the most difficult things to look into carefully, because they are very apt to get them drawn up by counsel, and the counsel are very apt to put in general words, so vague as not to make the objects clear. I am very particular to see that the objects are clear, so that anybody can understand them.

15. Then supposing the company, or the agent, objects to alter the return which he makes to you, what can you do?—I refuse it; then if he likes to proceed against me, he can do so.

16. What power have you to refuse?—I consider that I have power to refuse, because I am obliged to give a certificate at any time of the company's having been registered. That certificate is *primâ facie* evidence of the requirements of the Act having been complied with; and I hold that it is not complying with the requirements of the Act if the statement of the objects is so vague as not to be clear.

17. Is there anything in the Act, or the Acts by which you are constituted, which enables you to refuse?—Not in so many words; only constructively.

18. But you simply confine your examination to the words on the face of the memorandum which is sent to you, and you do not attempt, for instance, to verify signatures, or to examine whether the amount of capital is paid, or not?—No; I have nothing to do with that; I am bound to see that it is signed by seven persons, and that they give their names, addresses, and descriptions, and if they do not give their addresses very correctly and clearly, I refuse it on that ground. I take a great deal of pains to see that they are *bonâ fide* people, as far as their names, addresses, and descriptions can make it appear so.

19. *Chairman.*] They might not even have an existence, I suppose?—There have been cases of minors signing, and men of straw whom you never find again; I have been told that people have been paid a pound a head all round at a public-house to make up the number.

20. Mr. *Stephen Cave.*] You have no power to prevent that, have you?—We have no means of ascertaining it.

21. In fact, you have no power?—None.

22. You know that if you refuse to grant the certificate you may be compelled to do it?—I might; but, then, the great thing against that is, that nobody who has committed a fraud would dare to do it.

23. So far, with regard to the first point of registration, what are your duties beyond that, as regards the removing of abortive companies from the register, for instance?—It is not my duty to do that. That is a question of very great importance to the public; there are a certain number of companies which are abortive companies, and there is no machinery by which they can be got rid of; and it appears to me that the Legislature ought to give some power to call upon them to account for themselves, and to come forward and prove that they are no longer in existence.

24. But at present your duty ceases with what you have told us?—So far as the original registration goes, that is so.

25. When you speak of the original registration, what other registration is there?—They are bound to register annually a return of their capital and shares.

26. Mr. *W. E. Forster.*] What is the clause under which your powers exist?—Section 8 of the Act is the first process; the 26th section is the one which refers to the annual list, which is the most important return.

27. Was there not an earlier Act which constituted you in the year 1856?—That Act was repealed.

28. But that was the original Act, was it not, by which you were first constituted?—I think there was an Act before that; however, the Act of 1862 is the only operative Act now.

29. That enacts, that you filling this position should be appointed?—The appointment is made under this Act.

30. Under what clause is the appointment?—It is the 174th clause of the Act of 1862, under the head of "Registration Office."

31. Mr. *Stephen Cave.*] Will you proceed with the next point of your duty?—As to the things that are to be registered, the annual summary under the 26th section is the most important.

32. Will you describe the whole course of a company from its first registration, as far as you have to do with it, to its final winding up, taking it by stages?—We have now the original registration of the memorandum, and the articles; then the company has once in every year to make a return under the 26th section, with a list of the members, which is called the annual list of members, but it is in reality a summary of the state of their affairs; it gives under seven different heads, for which a form is given at the end of the Act, the amount of the capital of the company, the number of shares taken up, the amount of calls, the total amount received on calls, the total amount of calls unpaid, the total amount of shares forfeited, and the names, addresses, and occupations of the members. Now, a difficulty arises in the case of this return; they are bound to make out this list, and they are bound to send a copy of this list to the registrar, and they occasionally say, "We have tendered you a copy of our list, and you are bound to take it," although it is incorrect, and although it is not according to the facts; and I have made it a rule always to refer to previous returns, and then if they do not agree I send it back for correction; I am sorry to say that my predecessor did not do that very stringently, and a great many companies have got into difficulties in consequence.

33. Do

33. Do you suppose that you secure the correctness of the returns by that operation?—I do not do it, because sometimes they cannot alter them; but if it had been done in the first instance, it certainly would have done so. For example, they have made some alterations in their capital which are illegal, or they have omitted to give the names and addresses of the persons on the list, and in some cases they have gone on for years altering their capital and their shares, till nobody knows what their capital and their shares consist of.

34. Is there any penalty for not keeping a proper register, or for making a false statement?—There is no penalty for its being false, except that it is a misdemeanour. If any of the shareholders chose to proceed, there is a penalty of 5 *l.* a day for delay in delivering the return.

35. Will you explain clearly in what way you make this return correct?—It is not in my power to make it correct, but if it is incorrect I consider that it is not in compliance with the Act, and I will not take it, and it is incumbent upon them to make their returns in a proper form. The blots in those cases have invariably been where they have attempted to alter their shares to a lower amount than they really ought to be; consequently deceiving the public and their shareholders as to what the state of their affairs is.

36. That is the case with a Limited Liability Company only, I presume; a company that has the power to reduce its shares?—An Unlimited Company can do as it likes, of course.

37. This refers only to Limited Companies, does it?—It refers only to Limited Companies.

38. As with regard to the first memorandum, so with regard to this return; it is simply that if on the face of it it is incorrect, you can secure its being rather more correct?—Just so.

39. Mr. *W. E. Forster.*] Does the whole of the requirement of this 26th clause apply only to a Limited Company?—It is any company that has shares, you will observe. In the 26th clause the words are: "Every company under this Act, and having a capital divided into shares."

40. I understood you to state, in answer to the Right honourable Member, Mr. Cave, that it was only a Limited Company that had to give this information; is that the case?—It is with regard to a Limited Company, where they have altered their shares, that the question arises.

41. Mr. *Stephen Cave.*] Will you state how much of this 26th section applies to Limited Companies, and how much to Unlimited companies?—It applies to companies only that have a capital divided into shares. It could not apply to a Mutual Company, but it might apply to every other company. You may have an Unlimited Company divided into shares.

42. But after all, you do not profess when you have made those corrections, to have a return which is correct in fact, but simply to have one which is correct in form?—I refuse to take them when they are evidently, on the face of them false, and then it is left to them to get them right if they can, and if they do not get them right, they are under the penalties.

43. Practically, do you find that that operation induces many companies not to make those returns regularly?—It has had that effect; when the companies have been unable to rectify it and to make a true return, they do not make any, because I do not take them, and then their only proceeding is to take a *mandamus* out against me, which of course they will not do, because it will expose their mistakes.

44. Then, do you mean that they can compel you to take an incorrect return?—I think they could.

45. Then you act illegally to prevent them from acting illegally, is that so?—I have always considered that my being obliged by the Act to give a certificate, which is held by the Act to be evidence that the Act has been complied with, is a justification to me in refusing the certificate knowingly, and with information that it is a false return. That is the principle by which I have been guided.

46. Then if you considered your office simply as ministerial, you would not have to refuse any returns at all?—If the Act did not compel me to give a certificate, which was an evidence of compliance with the Act, of course I should simply take the papers and file them and not look at them, which of course would render the whole system nugatory.

47. Then what is the next step?—That practically, is the basis of all the information that is given, but in addition to that they are obliged to give returns of any special resolutions that are passed; there are certain things which they have a right to alter under the memorandum, such as this, they may change their name by a special resolution with the authority of the Board of Trade, or they may increase their capital by a special resolution, they may convert their paid-up capital into stock by a special resolution, which they are bound to file at the office.

48. How do you deal with those matters?—I have simply to see that they are special resolutions according to the Act; I do not look into the body of them.

49. Are those the different applications which take place during the existence of the company?—Yes; they are not allowed to make any alteration in the memorandum of association, except in those three things; it is very desirable, I think, that they should be obliged to register all resolutions, which they are not now obliged to do, and I think they ought to register the names of their directors, which they are not now obliged to do, and any alteration in them; I think they ought also to register their balance sheet annually, that is continually asked for by the public who come for information.

50. Are they empowered to register the balance sheet if they please?—They are not.

51. You would not take it if it was offered?—No; it is not required.

52. Would you register the names of the directors?—No.

53. In fact, you will take nothing but what you are obliged to take by the Act?—Nothing but what I am authorised to take. (*The Witness handed in a Table*—Vide *Appendix.*)

54. Nothing further takes place until you come to the winding up?—Nothing takes place until we come to the winding up.

55. Will you explain that process so far as it concerns the registration?—As far as the office is concerned, they have to pass either a special resolution, or a resolution stating the reasons for winding up according to the Act. They are bound to wind up on certain events occurring. First of all, they may pass a special resolution to wind up by the Court; and when a company does not commence business in a year, or suspends business for a year, it may be wound up.

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When the numbers are come to less than seven, when it is unable to pay its debts; when the Court is of opinion that it ought to be wound up, or when they pass a special resolution to wind up under the supervision of the Court or voluntarily; then they must file that resolution at our office.

56. Is that the first step?—That is the first step; then all the rest of it goes on out of doors till the last meeting is held, passing the accounts, when the liquidator, or whoever the person is who is doing the winding up, is bound to file a notice of the requirements having been complied with, and three months after that they are free.

57. There is something before that, is there not, that appears upon your register after they file the resolution; they file a copy of the order, do they not?—If it is an order of the Court, that is equivalent to a resolution; if it is a resolution by the company, it will come to us. If it is an order of the Court, under petition to the Court, the order of the Court comes, which is equivalent.

58. And that is the conclusion?—Yes.

59. Then is that the whole of your duty with regard to Joint Stock Companies?—Yes, as to registration; there is also a great deal of correspondence, and the registrar's advice and opinion is frequently taken both as to registration and on legal points.

60. Have you now described the whole course, as far as you know it, of a Joint Stock Company from beginning to end?—Yes; there is a point arising on the question of winding up, which has been pressed upon me very often, which is, as to persons who have the power to apply for a winding-up order; there is a case which has occurred of which I have made a note; that was the case of a bank, where an attorney's clerk, holding five shares, petitioned for winding up; I think that a person ought not to be allowed to petition to wind up unless he is *bonâ fide* a shareholder of some standing.

61. What became of his petition?—He petitioned the Court, and he put the company to very great expense to oppose it; in the case of this bank the petition was dismissed.

62. That is not exactly a case for the registrar, is it?—No, it has nothing to do with me; but it is a point which, I think, incidentally ought to be noticed.

63. Is there anything which you can suggest to make your system of registration more perfect, simply as registration?—I do not think, as I have already stated, that we get enough information; I think that the balance sheets ought to be registered, as I mentioned before, and I think the directors' names ought to be kept registered, and that all changes should be registered also, and all transfers half yearly; I think too, that the registrar ought to have greater powers to enforce compliance with the requirements of the Act, and that it should not be left simply to one's own discretion.

64. In what way would you wish to enforce the requirements of the Act; I presume that you would not wish to go into the truth of the statements which are made to you?—No, but I think that by publication you might do it; and beyond this 5 *l.* fine which, after all, does not work, if the directors were made responsible for the debts of the company during the time they were in default as to making their returns, I think that might have some effect; but I think publication would have very great effect.

65. How do you enforce the fine?—The fine is enforced by anybody who chooses to go before two magistrates, or, in Scotland, the sheriff.

66. Is that fine for delaying the returns?—Yes.

67. It is part of your duty to enforce it?—Not at all.

68. Do you give information to the Court?—No.

69. Then nobody knows, I suppose, whether the return is delayed or not?—No, unless somebody comes to search and inquire, and then they find it out, and in one or two cases they have been taken into the Lord Mayor's Court, but practically, I think, the Act is inoperative so far as the fines are concerned.

70. Mr. *Kirkman Hodgson.*] The fact is, I suppose, nobody has any interest in doing it?—Very seldom.

71. *Chairman.*] Can you state to the Committee what is the total number of companies registered at your office from the year 1862 up to this date?—I made out this paper in continuation of the Parliamentary Return according to the honourable Chairman's suggestion up to Saturday; there are 98 companies this year with a proposed capital of upwards of 6,000,000 *l.*

[*The Witness delivered in the following Table:*—]

COMPANIES' REGISTER OFFICE.

RETURN of the Number of COMPANIES REGISTERED under "The COMPANIES ACT, 1862," from the 1st January to the 16th March 1867, with the Amount of Capital proposed to be raised by Shares, &c.

Period.	Where Registered.	Class.	Number.	Capital.	Number.	Without Nominal Capital.
				£.		
From 1 Jan. to 16 Mar. 1867.	London	1 Limited -	94	5,944,610	2	Limited by Guarantee.
		2 Unlimited -	-	—	-	—
		3 Old Limited	2	304,000	-	—
		4 Old Unlimited	-	—	-	—
	TOTALS	- - -	96	6,248,610	2	—

SUMMARY.

96 Companies were registered from the 1st January to 16th March 1867, with a proposed capital of 6,248,610 *l.*

2 Companies were registered from the 1st January to 16th March 1867, without nominal capital.

98

72. I gather from what you have stated that you have no power, whatever, at present, effectually to check fictitious registration, is that so?—That is so.

73. You may have seven names which really are the names of nobody, in fact seven forgeries, or seven men of straw?—Yes.

74. Have you any power, whatever, to check that?—None whatever.

75. You stated also, did you not, that you have no power, whatever, to remove companies which have never commenced business, or which have incurred liabilities, or which having commenced have ceased to carry on business?—I have not, and I think that there ought to be a power given to do that.

76. In such a case, I presume, that those companies have taken a certain name which no other company can take?—That is so.

77. The

77. The result is, that under the present state of the law, a company may, as it were, take and keep possession of the ground so far as the name gives it, without there being any power to get them out of the way?—The only remedy is that, of course, the company who have pirated the name should consent to the change. It has been a not uncommon practice, when a good thing was coming out, for some speculators to get to the office early in the morning before the other people came out, and to take the name, and then they have to be bought off. Under this Act there is no power to oblige them to give the name up; but under the Indian Act the registrar has the power to make them change the name, and I think it is very desirable that it should be so.

78. Then also I understand that you have no power to deal with a false or erroneous registration of any kind?—No.

79. You are almost bound, are you not, to take as a true document any piece of paper sent to you with any figures or writing upon it?—Yes; supposing that it is in the form which the Act requires.

80. But if the facts are totally incorrect, and if the form is in accordance with the Act, you are bound to accept it, are you not?—I do not see how the objects of a company could be exactly incorrect. They may state very absurd things; but I have no right to criticise that, so long as what they mean is clear.

81. But I am referring rather to the other returns which have to be made; take, for instance, the annual accounts, or take a copy of their resolutions for the alteration of capital; have you any means whatever of checking the correctness of that document?—No, I do not think that I am justified in looking into that.

82. Have you any means of punishing summarily, or of leading to the punishment of the authors of either false returns, or incorrect returns, or of any other irregularity?—No, none whatever.

83. You have spoken of publication as a remedy, in the interest of the public, for many irregularities which you have pointed out; what is the particular mode of publication which has struck you as the most efficient to be established?—I think that periodically (once a week, or certainly once a month, but probably once a week) the names of all new companies registered ought to be published in the papers, stating names, businesses, and amount of capital; and also that there should be published a list of those in default; but my feeling is that the directors ought to be held responsible for the debts incurred during the time that they are in default, and if that was known to be the fact, and the names were seen in the papers, I think that it would have the effect of keeping the public better informed.

84. Do you mean that that should be a publication through the "Gazette"?—I do not believe in the "Gazette" as a means of publicity; I think that it should be in some newspapers; I should use my discretion as to what the papers should be. There are some papers in connection with people who are mixed up with the business of companies, and some of those papers might be suitable for the purpose.

85. In your view, the publicity which is further required is publicity through ordinary newspapers?—Yes.

86. Has it ever struck you, that, considering the vast number and variety of companies, it would be useful to the public to enable your office to publish a weekly register like the "Gazette," for instance, giving all the information as you receive it?—I do not know; it would be a most onerous task, and a very expensive one, and I do not see that the benefit would be equivalent to the labour and expense.

87. What do you think would be the best mode of securing that?—You would have to wade through every company's memorandums and articles, to be able to give anything like even a vague and uncertain statement as to what their objects were. The name of a company very often does not at all give you an idea of what its business is. A company issue a prospectus with certain objects; then they file a memorandum of association, or memorandum and articles of association, which may be totally inconsistent with the prospectus.

88. You have no power of dealing with that in the interests of the public, have you?—The prospectuses are quite out of court; I never have anything to do with them; I never see them, in fact.

89. In point of fact, under the law as it stands, whether it comes within your purview or not, is it not the case, that the prospectus under which directors and promoters may get the capital for a company, may be for a totally different object, or in a totally different direction, or to a totally different extent from the published articles, if I may so call them, under the operation of which each shareholder is made to come?—That is the plea upon which many people, when companies have failed, have tried to get their names taken off the list. I think there ought to be a penalty against issuing any representation that it is a limited company, until they have my certificate.

90. Would you recommend that before they get your certificate, you should have the partnership and memorandum articles, as I have called them, at the same time that you get the prospectus, in order to see that the published articles are the same thing as the public are invited to go into by the prospectus?—I think that it is hardly a thing for me to have to draw up a prospectus in conformity with articles of association; but I do not see any difficulty in ascertaining that they agree, except the additional labour.

91. Does that strike you as a practical mode of delivering people embarking in those things from that dangerous inconsistency?—Yes; supposing the law to recognise prospectuses, as it does at present.

92. Mr. *Stephen Cave.*] Do you think that it would be perfectly competent to prepare a prospectus and prepare articles of association, and see that they agree in every case?—Yes, but it would involve a very large amount of business. The question, in my mind, would be whether the labour in doing it would be equal to the benefit to be derived from it; at present they are responsible for their prospectuses.

93. Mr. *Kirkman Hodgson.*] Would you in a judicial capacity then have power to reject a prospectus if it was not in accordance with the objects of the company?—Yes, it would be throwing upon the registrar the duty of certifying to the court that the prospectus was correct.

94. *Chairman.*] Merely to this extent, that it was correct, as a matter of accord with the partnership articles?—If it was to be correct with regard to the memorandum it could be done,

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done, but the articles being capable of being altered at any time, you might have half-a-dozen prospectuses in the course of a year, and that, I believe, used to be the case formerly; but if a prospectus was simply to be in accordance with the memorandum, then I think that it would be perfectly feasible, but it would not be feasible if it was to be in accordance with the articles.

95. Would you think it desirable that there should be a power to suspend inoperative companies, such as have, from circumstances beyond their control, been discontinued or not commenced?—Yes, I think it would be very desirable.

96. With reference to the incorrect records: will you explain your views as to any provision which is required in that direction?—At the present time there are many companies who, through inadvertence, or through ignorance, have altered the amount of their capital; some of them have diminished the value of their shares, and have increased them again; and some of them supposed that their shares were fully paid up, and converted them into stock when in reality they had no right to do so. It is impossible to tell what the responsibility of a man holding stock in such a company may be; I think in cases where they have done it through inadvertence, and where it can be shown that it was not for any fraudulent purpose, there ought to be a power to amend the records without their going to the expense of winding up the company; that might be done by putting them into the hands of an accountant selected from some well known firm, and if he certified that the company were solvent at the time, you might reinstate them from that date, they being still responsible for all debts incurred under the original blunder; they might then have a fresh certificate, paying as if for fresh registration, and from that date they might be free from the responsibility which their errors had caused; I think that would be very practicable.

97. At present, as I understand, those errors which may arise from the best motives, but through carelessness, would compel a company to go through the whole process of winding up?—Yes, it might, and in all probability it would ruin them.

98. You say that simple means might be provided for correcting such errors and difficulties without that extreme course being taken?—I think so.

99. With regard to the fault as to the summaries, will you state your view as to the question, whether the penalties imposed by the Act are practically operative, or inoperative?—I find, as a rule, that they are inoperative. It is nobody's duty to sue, except, perhaps, a shareholder may do so who has burned his fingers. In one or two cases they have been very indignant at having been deceived, and at having come to the office for information and not having got it, and they go upon that plea to punish the company; but it is a very unusual course. The court has the power to allow costs out of the penalties; but the penalties, as a rule, go to the Crown, so that no one has an interest in the matter.

100. Except the general interest?—Except the general interest.

101. Then, what is your opinion in reference to compelling changes of name in cases where names are taken surreptitiously, for instance?—There I should put in the half-dozen words which are in the Indian Act, that they "shall, if required by the registrar so to do, change the name;" that is in the 20th section of the Act.

102. You would amend the English Act in accordance with that Act?—Yes.

103. Mr. *Stephen Cave.*] Will you refer to that section?—The words in the English Act are, "may, with the sanction of the registrar, change its name." In the Indian Act the words "and shall, if required by him so to do," are inserted between the words "registrar" and "change."

104. *Chairman.*] What is your view in reference to amending any proceeding of the companies?—There have been many cases where they have made arrangements for amalgamation which they have not been able to carry out, and they have gone too far, and have probably passed a resolution to wind up, before they could amalgamate; then, having done so, they must wind up, and the whole thing comes to an end. I think there ought to be some power to enable them to withdraw that record, supposing that nothing has been done upon it. There is the case of a minor having signed in ignorance when it might have been rectified; or the shares have been of too large an amount for the business of the company, and that might have been rectified.

105. That is a very important matter, upon which you will, perhaps, give the Committee your opinion (as it must come frequently before you), as to the advisability of companies limited by shares having the same power of reducing their capital after providing for their creditors, which companies unlimited, and companies limited by guarantee, at present have under the Act?—The question of lowering capital is a very difficult one, because the public have trusted a company on the strength of the amount of capital which they have registered; and in most of those cases where they have lowered their capital; that is to say, where they have continued business, having transferred the business to a fresh company with the same name, they have had to go through all the process and expense of winding up; now I do not see any objection to a power existing of lowering the capital under certain regulations; first of all, they must, I think, prove that they are solvent; they ought to be responsible for every debt that they have incurred previously to lowering the capital; then I do not think they ought to be allowed to lower the capital to such an amount as will on the face of it bring in an inferior class of shareholders; it must depend upon the circumstances of each special case; a bank may require shareholders holding a large interest, while, for some smaller companies, doing small businesses, 10 *l.*-shares would answer perfectly well; then, if they were to do that, I think they ought not to be allowed to have all their shares fully paid up, on the same principle as the Land Mortgage Debentures Act.

106. In fact, the result of your consideration of the matter is, that it is desirable that there should be such a power, but you would restrict it by three conditions: one being that it should be satisfactorily shown that the capital was too much for the ordinary operations of the company; secondly, that they should be practically out of debt, or should have protected their creditors; and, thirdly, that they should still reserve a margin of uncalled capital to meet any unforeseen difficulty

difficulty in carrying on their business?—Yes; there are some companies in which possibly a margin would not be required, and whose capital is entirely invested in tangible property, but when it is a money company you decidedly ought not to allow them to pay up the whole of their capital.

107. In the case of a dock company, which had entirely completed its works in every way, that might not be necessary; but in the case of a bank or discount company or insurance company, whose liabilities were not at an end, and were constantly being incurred, you think that that would be a wise precaution?—No; I think if they had tangible convertible property on which capital is invested, it would not be necessary to bind them not to call up the whole of their capital, but if their business depends upon a floating capital, such as a bank, then there should be a margin left; but that would be a matter of consideration in each case, because it would not be prudent to keep any very large amount of capital tied up which they might otherwise employ, because any shareholder if he were liable to be called upon to pay 50 *l.*, must keep that money in convertible securities to meet it, and that is a very large sum to keep out of trade, so that that point would have to be carefully considered in each case.

108. You received from the Stock Exchange last year some suggestions with reference to the improvement of the Act of 1862, did you not?—I did.

109. Will you state to the Committee what those suggestions were which the Stock Exchange made, and will you kindly explain each of them?—The first suggestion is: "That before a company is registered, the Registrar of Joint Stock Companies should satisfy himself as to the *status* of the subscribers to the memorandum of association." My note against that is simply that a promoter may have got his seven signatures at 1 *l.* a head at a public house, all being men of straw, but I do not think that that is a duty which the registrar would be competent to perform. I do not see how I am to find out what a man's *status* is, at all; that is a very difficult matter. Then the second suggestion is: "That companies should be restricted from employing their funds in the purchase of, or in advances upon, their own shares." That, I think, is perfectly right. They will use their capital when the company is starting in buying their own shares in the market, in order to keep them up.

110. Do you think that that has been done to any large extent?—They say that it is a very common practice.

111. That is to say that they "rig the market," if we may use the slang term?—That is the expression.

112. And you think that preventing them from dealing with their own shares would have a salutary influence in preventing that?—Yes, certainly.

113. What is the third suggestion?—"That they should also be restricted from borrowing money on debentures, or on mortgage upon the general funds of the company."

114. Mr. *Goschen.*] Do the Stock Exchange extend that to railway companies?—No; this was only with reference to my office. My note upon that is, borrowing power should be limited and bear some reference to paid-up capital; in railways it is one-third of the capital.

115. *Chairman.*] There is no limit at present, is there?—No, there is nothing about it in the Companies' Act.

116. In point of fact seven directors with their seven shares, which may be a small value, may borrow as much as they want if anybody will lend it to them?—If they have power to do it by their articles.

117. And they may get as much power as they please, may they not?—Yes.

118. What is the fourth suggestion?—"That vendors should be enabled to enforce registration of transfers by summary process before a judge in chambers."

119. What is your remark upon that?—That any one purchasing a share should be unable to sell it until after his name has been registered by the company as a shareholder, and that a more summary process than that in the Court of Chancery should be given to enforce registration.

120. Then what is the fifth point?—"That any fraud, misrepresentation, or suppression of facts by directors or other officers of the company should be made punishable as a misdemeanor."

121. What do you remark upon that?—I have made a note, that should apply also to promoters whose names should be registered with them, but I do not think that that would work, because promoters, generally speaking, are men of straw.

122. Has anything struck you which could be done by legislation to check the action of those men of straw?—I do not see that you could do anything, because a promoter is only a man who goes about and gets names signed to a memorial (the memorandum), and he gets paid for getting up a company, as it is vulgarly called; some of them make a great deal of money, and some of them none at all; they are not people who are brought before the public, and I believe that in many cases persons who have become signatories to a company, would not very much like to put up the names of the persons who have induced them to join it.

123. Then what is the sixth suggestion?—"That companies should not in any case increase their capital without the consent of the shareholders convened specially for the purpose."

124. What is your remark upon that?—This power is occasionally given to the directors *proprio motú;* clause 26, Table A, should be imperative.

125. What is clause 26, Table A?—"The directors may, with the sanction of a special resolution of the company, previously given in general meeting, increase its capital, &c."

126. Mr. *Lowe.*] Where are you quoting from?—From the first schedule, Table A, 26th clause.

127. That is no part of the Act, is it?—Where people do not have any articles, those are their articles.

128. *Chairman.*] What is the 7th suggestion?—"The sub-committee desire also to call the attention of the registrar to clauses 54 and 76 of Table A."

129. Will you explain that?—My note against that is, that clause 54 should be compulsory at the first general meeting, clause 54 being that "The future remuneration of the directors, and their remuneration for services performed previously to the first general meeting, shall be determined by the company in general meeting." Promoters are very apt to reward themselves very handsomely without consulting their shareholders in the first instance, in getting this settled beforehand; of course they could alter it afterwards,

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wards, but the public in general do not find that out until it is too late; I would provide that they should not be allowed to be paid anything until a vote has been passed in their favour.

130. What is the 8th suggestion?—"Before the articles of association are effective, to be examined and approved, as in the case of a benefit society." Against that I have put the word No, and my note is this, "Let notice of objections or for enquiry, be filed at the company's register office, and the registrar have a discretion to refuse registration in all cases where he deems the objections valid, and power to institute such enquiries as he may deem fit." But the objection ought to be raised in the first instance by outsiders and not by the registrar.

131. What is the 9th suggestion?—"All deposits to be returned, unless a specified amount of the nominal capital be applied for and allotted."

132. I think that upon that, the Stock Exchange themselves made a rule that they would not grant what they call a settlement, unless half the shares were *bonâ fide* taken up?—There is some rule of that sort.

133. But I presume there is nothing to that effect in the Act?—No.

134. Therefore, though they may get out the smallest number of shares, so far as the Act itself affects them, they may still go on with the business?—Yes.

135. So that, in point of fact, a man who expected that he was joining a combination of 100,000 *l.*, of which one-tenth only would have to be paid, finds himself, because only one-tenth of the shares are taken, in for ten times the liability which he contemplated?—No, certainly not, I had a case the other day of a man who had been induced to sign a memorandum, and he came to me in the morning and begged that I would not register the company, because he had been induced to sign upon the representation that the other signatories were to pay up a certain proportion, which they had not done; and when it was brought for registration in the afternoon, they were extremely astonished to find that I would not take it; I had no business to refuse it, but it so happened that it was not in form, and I sent it back; I told the man that he must take proceedings to take his name off, and he did so.

136. Has a company called the Poultry Rearing Company come under your notice at all?—I do not remember it; but some very odd ones have come under my notice.

137. Then we come to the 10th suggestion; what is that?—"If half the proposed capital be not subscribed for and allotted *bonâ fide* within three months, the company shall not commence business, but give notice to the Registrar, who shall cancel the registration." My note upon that is, "that promoters and directors must be made responsible for any debts incurred, and that the Registrar must have evidence before the cancellation that the deposits have been returned."

138. Are those the practical suggestions which the Stock Exchange made in January 1866?—Yes.

139. Is there any other matter connected with this inquiry which you would like to suggest to the Committee, our object being, of course, the improvement of the Act of 1862?—I have here a statement of the number of companies registered under the Companies Act, 1862, and of the number of such companies which have been since dissolved, or which have otherwise ceased to exist up to the 18th March 1867. That is only an approximate account, as far as one can get it; because it is impossible for me to tell you what is going on in the Court of Chancery. There may be many companies besides these in suspense. I have had the case of a company who have had to do with the foreign telegraph, and it was in suspense for some years, and then, as soon as the line was laid to America, it came forward and went on again; and there may be a case of that sort among the companies in this table, so that I cannot represent it as a strictly true account.

[*The Witness delivered in the following Table:*—]

STATEMENT of the Number of Companies Registered under the "Companies Act, 1862," from the commencement of the Act up to 31 December 1866, and of the Number of such Companies which have been since Dissolved, or which have otherwise ceased to exist up to this date, 18th March 1867.

DATE.	Number of Companies Registered.			Number of Companies Dissolved, &c.			Number of Companies still existing.
	Old.	New.	Total.	Old.	New.	Total.	
	Companies Act, 1862.						
1862 (2 November to 31 December)	72	80	152	14	17	31	121
1863 - - -	23	701	724	4	153	157	567
1864 - - -	17	897	914	2	171	173	741
1865 - - -	17	919	936	3	96	99	837
1866 - - -	8	668	676	–	25	25	651
TOTAL under 1862 Act -	137	3,265	3,402	23	462	485	2,917

140. Those are cases of suspended animation?—They are cases of suspended animation.

141. Is there any communication between your office and the Court of Chancery?—None whatever, except that we are continually summoned to give evidence.

142. You cannot state what is going on in the Court, and what the number of companies is, and what is their position?—I cannot tell you that; you will have those returns from the Court of Chancery presently.

143. You get, in fact, a resolution of the proprietors for winding up, or an order of the Court for winding up, which is equivalent, or the petition of a creditor, which is also equivalent, and then you know nothing until you come to the final steps for dissolution?—Yes.

144. Of all the intermediate steps you have no cognizance?—Exactly.

145. So that if the public went to your office to ascertain the position of a company which had been ordered to be wound up, and had not been wound up, you would be compelled to refer them to the Court of Chancery for that information?—Yes.

146. Any shareholder, in fact, would be in that position, would he not?—Yes.

147. In reference to winding up, is there any matter with regard to the machinery of the Act as to winding up upon which you would wish to say anything?—I do not think that there is. I have no experience at all of what is going on in the way of winding up. I have simply a notice that they are going to wind up, and there may be occasionally a name taken off the lists, notice of which is filed in the office, and I have the final notice of everything having been done.

148. Mr.

148. Mr. *Graves.*] Have you any return which you can lay before the Committee, showing the number of companies registered since the passing of this Act?—Yes; it is a Parliamentary Return.

149. I understand you to give an approximate return; does that give the names of the companies which have strictly complied with the terms of the Act?—No.

150. Would you be able to hand in such a return as that?—It would certainly be possible, but it would involve going through 5,000 or 6,000 companies, and you might almost get it out of the returns which you have already before you in the House.

151. I should be very sorry to put you to the trouble of going through such a mass of returns, if you could state in effect that they form a very small exception?—I think that that paper which I handed in just now gives the numbers. Those which have not complied are those which are dead or inoperative.

152. The Act requires, amongst other things, that the amount of calls made shall be specified annually, and that the amount of calls received shall be specified annually; could you hand in to the Committee a return showing how many companies out of the total number which have been registered have strictly complied with the Act as regards those two requirements?—It could be got out, of course, but it would be a very long story. We should have to go through all the companies to see whether they have done so or not.

153. Mr. *Goschen.*] You do not put a black mark against them as they go on?—No; each company has an account against it like a banker's account, and on referring to that you would find whether they had made all the proper returns, but whether those returns were correct or not we could not ascertain without examining every separate document.

154. Mr. *Graves.*] Would you be able to give a return for the last year without much trouble?—With time I might do so.

155. Every company is obliged to register, as I understand, in your office, and annually to fulfil certain conditions of the Act?—Yes; to give a summary of the state of its affairs.

156. Can you state how many companies within a year (say 1865 or 1866, whichever may be most convenient) have complied strictly with all the conditions of the Act as regards the registration of their annual statement?—I think that would be a very difficult thing to give conscientiously, because I will show you a case that would occur, and does occur continually. The other day a company sent in their return, stating their amount of capital and shares, and calls, and so on, but they did not comply with the Act so far as giving addresses went. There were two pages of names, all of people living at Liverpool, and another page all London, and another page all Manchester, and so on, without addresses. That is not complying with the Act. I might look through 500,000 names in a record, and perhaps find 20 or 30 names with no addresses at all, and that would not be complying with the terms of the Act. If it is not a very complicated Return that the Honourable Member wants, I think I could get it out.

157. The other point upon which I was desirous of getting information was, as to the constitution of your own office; are you able to lay before the Committee some account of the constitution of the office, and the amount of fees received, and the amount of expenditure, with the number of assistants you have for carrying out the machinery of all this registration?—Yes; that is as simple as possible. I send in the estimates every year.

158. Is it in the Board of Trade estimate?—I think it is.

159. Mr. *W. E. Forster.*] By the 8th section of the Act, a company has to state its objects. How do you oblige them to define the objects; for instance, is it sufficient for them to say that they are merchants?—No; they must define in clear and distinct terms what they intend to do. Supposing they are merchants, they must state what sort of trade they are going to carry on.

160. Supposing they are both bankers and merchants, must they state that they are both bankers and merchants?—Yes, and they must be very particular in making the statement specifically, and not vaguely, so that anybody can understand it. If a man was simply to say that he was going to carry on business as a merchant, he might do anything.

161. I understood you to state that the 26th clause applied to all companies under this Act, either limited or unlimited, who have a capital divided into shares; do you know of any company under this Act with capital divided into shares, the shares of which are not limited?—Yes; I cannot name any at the moment, but there must be several, such as a guaranteed company that would have shares as among themselves. There are only 23 unlimited companies actually formed under the Act of 1862. A guaranteed company is a company in which the persons signing undertake to provide a sum, not exceeding a certain amount, to meet the liabilities of the company in case of winding up; but for working the concern amongst themselves they have shares.

162. But have there been any companies which have applied to you for registration which are conducted upon the unlimited principle of each shareholder being responsible for the whole of his property?—Yes; you will find that stated in the Returns which the Honourable Chairman has.

163. Must those particulars, which those companies are bound to furnish annually, be forwarded to you as the registrar every year?—Yes.

164. What becomes of them after you get them?—They are filed with the records of each company.

165. Have the public any access to this information?—Yes.

166. In what manner have they access?—They pay 1*s.*, and they can search the records.

167. Then it is competent for any person paying 1*s.* to ascertain every year the shareholders in a limited company, the amount paid up upon those shares, the amount unpaid up upon those shares, and also the number of shares held by each shareholder?—Yes, and the names and addresses of the shareholders.

168. Do you find that the public make use of and obtain that information?—Yes, they are searching all day long.

169. Have you any reason to suppose that they search in order to publish it in any public paper, or is it for private information?—I believe there are some offices in the City, where they periodically pick out lists of those persons who appear to be subscribers to certain classes of companies,

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and that then the promoters go to those offices, and send circulars to ask those persons to subscribe. So I am told, but I do not know it of my own knowledge.

170. Have you any opinion as to whether or not it would be advisable that there should be an authorised publication, annually, of the number of shareholders in limited companies, and the amount of shares held by each limited shareholder?—I do not think any advantage would be gained by it.

171. Do you not think that there would be an advantage in the creditors of the company being aware of the amount for which each individual shareholder was responsible?—Yes, I think there would be a great advantage in that; but they have already got that by searching at the office.

172. But you do not think that there would be an advantage in there being an authorised publication of them?—No, I do not; because it would be a very expensive thing. People can get it now in each case by their own inquiries, and I do not think they would be more likely to get it then.

173. By the 27th section, there is a fine upon those returns not being made; did you ever enforce that fine?—Never.

174. You do not feel that it is in any way your business?—Certainly not.

175. However much you may be convinced that the fine has been incurred, you have not conceived it to be any duty of yours to see that it is enforced?—Certainly not. It is very desirable that there should be a power somewhere of calling for returns compulsorily. Cases occur frequently where the persons concerned have been trying to get some information, and had not been able to get it, because the returns had not been made, and it is nobody's business to enforce it. I have sent circulars to the companies, to remind them of their default, but beyond that I can do nothing.

176. I understood you to state that you thought it would be advisable that you should have the power of obliging a Company to change its name when it had anticipated another Company?—Yes.

177. In what way would you propose to ascertain that that was the case?—It proves itself; the *bonâ fide* Company comes in half an hour after the surreptitious Company, and the system has been this: supposing a Company which is to be brought forward by people of high character, and which is very likely to be prosperous, is heard of, and talked of, and advertised in the newspapers, a few schemers will come and get seven signatures and register a Company under the same name, with the smallest possible amount of capital allowed by the law, and which is palpably inefficient for the purpose; and they do this, and have done it repeatedly, for the sole purpose of being bought off.

178. But how would you satisfy yourself that the second Company was the *bonâ fide* Company?—One can tell that by the persons who are in it, and by the amount of capital, and so on; it is a thing that in each case would prove itself; it has always done so.

179. And that would give you the judicial power of deciding which of those two Companies was the *bonâ fide* Company, would it not?—Yes.

180. Would you propose that there should be any appeal from your judgment?—No, it has never occurred to me that there should; those cases are so palpably frauds where they have occurred. It would be a very good thing, I think, that there should be an appeal in almost every case; but I do not think the appeal would be of any practical use for the above reason.

181. It is the case, is it not, at present, that you have no discretionary power whatever, and that your acts are ministerial?—They are ministerial.

182. And this would be so far changing the nature of your office that you would have a discretionary and judicial power given to you?—Yes, to a certain extent; I think there ought to be a power given in the same way as in this other Act, which is for smaller companies; I refer to the Industrial and Provident Societies Act 25 & 26 Vict. c. 87; there they give the Registrar power to enforce the returns being made in such form and to comprise such particulars as he shall require.

183. Is there not this difference, that in the Industrial Act which you mention power would be given to the Registrar to enforce the fulfilment of certain requirements, whereas what you are now stating is, that power would be given to you as the judge between two competing companies?—Yes; there is that difference, certainly.

184. I think I understood you to state that you thought the directors ought to be responsible while companies are in default; what do you mean by that?—I mean that they ought to lose their limited liability during defaults of their own causing; that is to say, that supposing the directors do not choose to make out their returns, and do not file them at the proper time, till they do file them any debts incurred during that period should be their personal debts, and not the debts of the company.

185. Then you would make such a penalty as that, which of course is the most severe that could be enforced, the penalty for non-fulfilment of the requirements of the Act?—Exactly.

186. That is to say, if they do not make the return required by clause 26, you would make them liable for the debts of the Company during such default?—Yes.

187. You stated, did you not, I think, that you would not allow the shareholders of some Limited Companies to pay up the whole of their capital?—Yes; I think there ought to be a margin, in case of their failure. A case has occurred where the Company had paid up everything, and they came to grief; and there is actually not the money to wind up with.

188. Did you mean that opinion to apply to the starting of fresh companies, or merely to the power which is given by this Act to change the amount of the shares?—I think that in the case of any new companies, and in any alteration of an old company, I would do it.

189. I wish to call your attention to this difference: that in the case of making that compulsory upon any new company, the law would be deciding the terms upon which the creditors should bargain with the debtors?—That is already done in the Mortgage Debentures Act.

190. Then I understand your opinion to be, that a case is made out sufficiently strong to make it good ground of public policy that the law should interfere to protect the creditor against his own bargain?—Yes, in that case.

191. Mr. *Kirkman Hodgson.*] Will you state whether the changes in the registered shareholders

holders are registered by you?—Certainly; that is what the summary consists of.

192. How often is it done?—Once a year.

193. Therefore, in reality, a man coming in the month of November to examine your list of shareholders, does not get the real list of shareholders, but only those that existed on the 1st of January previous?—Supposing their annual meeting be on the 1st of January, he would only get that information until that 1st of January, and he would be in the dark until the next 1st of January; it would be very desirable if periodical returns were made of them.

194. Is it your experience, that the existence of that registry is of use to the public, and that it gives them a safe guide?—It does, as far as it is possible; but it would do it a great deal more effectually if what I have suggested were carried out; I think the registry ought to contain all possible information that can be given of the company.

195. I recollect that in the case of one of the largest companies that failed (a company in which the public interest was so great that the list was published and sold openly), the list given of the shareholders was absolutely absurd and misleading; it was correct enough nine months before the failure took place, and as soon as the failure took place it was found that the list was entirely different from that which had been seen; has such an instance come within your knowledge?—Yes; they would not be relieved from their liability under a twelvemonth, after transferring their shares.

196. I think you stated that you had nothing to do with a company when it came into the stage of winding up?—No.

197. Mr. *Stephen Cave.*] Is it your experience that companies, after you have sent back their memorandum as being informal, have set you at defiance and come into operation without being on your list?—They cannot come into operation till they have got a certificate, and I will not sign a certificate if the thing appears to me to be contrary to the Act.

198. And, therefore, they must come back to you if they want to put themselves into operation?—The general practice is, that they make a few blunders in the wording of the form which is given in the Act, and that is struck out by the agent who brings it; I believe myself very improperly, but they represent themselves as having authority, when perhaps, they have not.

199. *Chairman.*] Although it is previously signed?—Yes. I think the draft memorandum should be submitted to the registrar.

200. Mr. *Stephen Cave.*] I believe you stated it to be your opinion, that a penalty should be attached to their not registering their memorandum of association; but the withholding of the certificate is the penalty, is it not?—The penalty is attached to their not registering their return; the memorandum is the original formation of the company, and it does not signify whether they register that or not; they may decline to register it when they find the terms are not quite what they wish.

201. But can they come into operation without registering and without getting a certificate?—No, the certificate is the act of incorporation.

202. Mr. *Lowe.*] You say that you admit this memorandum to the register, though it is altered in your presence?—It is not altered in my presence, I send it back again.

203. But I understood you to state, that the agent could alter it?—I say, that in practice the agents are the persons very often who alter it, instead of taking it back to their principals, and then they say they have authority to do so.

204. Do you require them to show their authority?—No.

205. Do you not think that you ought to do so?—I think not. Tendering documents for registration proves agency.

206. Is it, then, exactly the same document as that which those people signed?—In some cases it is not; if it is anything in the body of the document which is part of the objects of the company, I should not allow any substantial correction at all; vague statements I have already alluded to as inadmissible. A plea (*re* Overend, Gurney & Co., in Chancery, Malins, v.c.), was raised on this point: that as some words had been struck out of the Memorandum between the time of signing and registering, the signatories were not liable for the debts of the company registered; but it was not sustained. The memorandum by s. 11 of the Act has some of the attributes of a deed, but it is not a deed; but the correction which occurs is in the last sentence of the last form given in the Act.

207. What is that sentence about?—The words required by the Act are: "Doing all such other things as are incidental or conducive to the attainment of the above object;" they put in some other words which mean something similar, or are interpolations, such as "and the company (or directors) may consider to be" incidental, &c., and that I allow them to correct; but, of course, any correction in the body of the document stating the objects, I should not admit for a moment.

208. And those words are often not there?—They are often mixed up with other words, making it very unintelligible, and it being a matter of form I always oblige them to put those identical words in if they use any words at all having the same meaning as the Act requires.

209. But I understand that they use other words having a different meaning?—If they use other words having a different meaning, I have nothing to do with it.

210. But you allow the agents to strike them out and put those words instead?—The Act says that the form of the Act shall be used, and in that case I send it back to be corrected; but what I state that I do not approve of is, that the agents take upon themselves to represent themselves as having full authority to correct those things.

211. But is not the blame rather with the persons who accept the representation; is it not your business to see that this document emanates from the people from whom it purports to come?—Not on questions of form, I think; though on questions of substance that would be so.

212. Mr. *Goschen.*] You look upon those last words simply as a question of form—I look upon them simply as a matter of form.

213. And you do not think those alterations of words which you propose, give a little more or less latitude; they appear to be very important words, and not to be a matter of form?—I mean that they are the form required by the Act to be used. They vary the words and put some other words, meaning "incidental" or "conducive".

214. But you do not think they do it on purpose?—No, I think as a general practice they do

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do it because a man has a fancy for his own expressions, and says the Act of Parliament is not good grammar. I have been told so.

215. And then you allow them to correct the grammar of the Act of Parliament?—As a rule, I make all the signatories initial it; but the agents will evade it if they can.

216. As a rule, excepting that sentence, you would allow no erasures to be made?—Certainly not, save for vagueness.

217. Have you often to send them back?—Frequently.

218. On the whole your duties are simply passive, I presume?—They are, as a rule.

219. Could you state any case where the duties are not passive; where you could interfere and see that the Act is carried out?—In the case of the summaries, I always refer to the previous summary to see if they agree with what has been returned before; and, in the case of alteration of capital, if they have passed a resolution authorising them to do it.

220. But do you look upon it as your duty to see generally that the Companies comply with the Act?—Certainly.

221. How is it that such a vast number of these companies do not comply with the Act?—Complying with the Act is rather a large term. My interpretation of it is, that they have done the things which the Act requires to be stated in the documents, and stated them truly, as far as I can see.

222. You state that there are a vast number of companies that have not complied with the Act. Do you take any steps to enforce compliance?—I never take any steps against them so far as not having complied with the Act, by making the returns, goes, and not making the returns; and where the penalty is concerned, I do not think it my business to proceed against them.

223. What action do you take when the Act is not complied with?—None at all; except in the annual returns of capital and shares, and names; I see that they correspond with the previous ones, and if they have altered their capital and have not passed a resolution authorising them to alter it they are returned for correction, and in many cases they are grateful for the suggestion.

224. And what happens if they do not correct them?—If they do not correct them, I cannot make them do so, of course.

225. And then the return remains incomplete?—It is not received.

226. But what harm do they get by that return not having been received?—They are liable to penalties, and the public do not get the benefit of the information, and the returns are of no use.

227. But that rather assists the Company sometimes if they wish to suppress information, does it not?—Unless a shareholder wishes to proceed against them.

228. Do you know any cases where the penalty has been enforced?—Very few; last year there were two or three cases brought before the Lord Mayor's court. I do not know the names of them, but practically the penalties are inoperative.

229. Is it your duty to read through the Memorandum of Association?—Yes; and to see that they make those statements that the Act requires, and that they make them clearly.

230. Do you think it possible to carry out that suggestion of the Stock Exchange, to compare the Memorandum of Association with the prospectus? I think you stated that you thought it could be done?—It could.

231. Would you hold that, if something slipped your attention, the public might afterwards bring a complaint against the Registration Office for having been misled by its having received the certificate of correctness, and would not that be a danger?—It is a danger which exists under the present Act, because the certificate is made *primâ facie* evidence of everything under the Act being complied with; and constructively it requires me to do the best in my power to see that the Act has been complied with; that is to say, that the documents registered contain what they ought to contain.

232. Supposing that it is afterwards ruled by a court that the prospectus did not agree with the Memorandum, and you held that it did agree, would not the subscribers almost be in a position to bring damages against the registrar?—Possibly they might, and then the registrar ought to be indemnified; he is not omniscient.

233. Do you not think that you would be protecting the people who have made the mistake, if you had stamped it, and that they would say that they had the official stamp to it, and that they were free?—Possibly that might be so. I conceive that it would be perfectly practicable to do it, but I do not conceive that it is desirable. I think that the promoters of a company ought to be responsible for their acts.

234. And would not their responsibility be rather diminished than increased if it were the duty of the registrar to compare the two documents?—Certainly it would.

235. Are the receipts of your office from fees large?—I am happy to say that I do not take any fees now; they are paid by stamps, but the average receipts of the office are about 20,000 *l.* a year from the fees.

236. Is there any audit of the fees which are received?—As long as the fees were received, the accounts went to the Audit Office, of course, but since the 1st of January they have all been taken by stamps.

237. Mr. *Hubbard.*] The object of your office is to constitute limited companies under the Act of Parliament, is it not?—Yes.

238. The mode in which the proposition for a company comes before you is in the shape of a Memorandum of Association?—Yes.

239. In some cases the Memorandum of Association alone is sufficient to constitute a company, is it not?—It is sufficient in all cases where companies are limited by shares.

240. Are not, in some cases, Articles of Association also requisite?—Yes, but there is a form of articles given in the Act of Parliament; and in cases in which they do not tender any Articles of Association, they are, *ipso facto*, bound by the articles given in the Act, in Table A.

241. Then, in any case, a Memorandum of Association is sufficient after passing your registration, to constitute a company?—Yes; except guaranteed and unlimited companies.

242. The Memorandum of Association must be signed by not fewer than seven persons, must it not, each one binding himself to take a certain stake in the company which is projected?—Yes, not less than one share.

243. Is there any limit to the number of shares in the company which is constituted, or to be constituted?—

constituted?—No; they state the limit in their memorandum.

244. Therefore the number of shares to be taken by any individual may bear an infinitesimally small proportion to the projected capital of the company itself?—Yes.

245. When the seven persons who are therefore equivalent to a company, have submitted their memorandum to you, have you any other duty to do than to register it?—I have to see that it is in compliance with the 8th section of the Act, and then it is registered.

246. But the conditions of the Act are, I presume, merely matters of form; can you control or examine into the main facts of the intended company, either with regard to their purposes or their intended capital?—With regard to the purposes which are termed the objects under the third head here, I always look into them extremely carefully, because they are very fond of putting their objects so confusedly and vaguedly, that it might convert, as I said before, a bank into a brewery, or a brewery into a railroad, or anything else; and I invariably refuse to register them unless they state the objects clearly and distinctly.

247. But, supposing the objects to be stated clearly and distinctly, you have no *veto* whatever, have you?—None whatever.

248. Whether it is a company for rearing poultry, or for establishing a colony on the Goodwin Sands, it is no affair of yours?—Not at all.

249. Supposing that any seven persons were propounding a scheme, and applying for the registration of that scheme, they would be immediately, to all intents and purposes, a company?—Yes.

250. At the end of the 25 & 26 Vict. c. 89, there is a form of Memorandum of Association of a Company, which states in the 5th Article, "The capital of the Company is 200,000 *l.*" And in the latter portion of the same article, "We, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company." That document is signed by the seven subscribers before their scheme has taken the form of a company, is it not?—Yes.

251. But they still assert that the capital of the company is 200,000 *l.*?—Yes.

252. The capital I imagine to be a fact, and an important fact?—Yes.

253. Is it a fact that a company, when that document is signed, has any capital at all, or does the company even exist?—I should think not.

254. Is it not then a misrepresentation to speak of it as a company, and to speak of it as having any capital?—It might be better grammar if the words were "is to be."

255. Then the capital of the company as there stated, is, in many cases, I imagine, never intended even to be called up; they have a further limitation of the amount of capital which each shareholder has to pay?—They are very apt to put in their articles or in their prospectus, rather I think in order to catch people, that they will never be likely to be called upon to pay more than such a sum; but that is a question quite outside the Registration Office.

256. Mr. *Stephen Cave.*] Then do you register that?—I never saw it in the articles.

257. Mr. *Hubbard.*] The capital of the company being 200,000 *l.*, the liability of the company is limited to 200,000 *l.*; is not that so?—Yes, if it is all subscribed for.

258. If the company is ultimately formed, the shareholders will be liable to the extent of 200,000 *l.*, but they cannot be liable to the extent of more than that 200,000 *l.*?—They will only be liable for such an amount as they have each subscribed for.

259. Supposing that the company is formed in its entirety, and the whole capital is subscribed for, what would be their liability?—Then they would be liable for the 200,000 *l.*, unless that capital were increased by resolution.

260. Would it not be better if they were to tell the truth in those Joint Stock Companies, Limited, and were to say, instead of the capital being so many thousand pounds, that the liability of the company is limited to such a sum, which is the true meaning of the phrase?—I think that if you were to put it in this way: "The nominal capital of the company is to be so much;" that would meet the point which you put. It would come to the same thing.

261. Of course capital is not capital until it is provided?—No; I think it ought to be nominal capital.

262. A capital promised is really a liability, is it not?—I do not quite understand the question. Capital promised is not a liability until people have undertaken to subscribe for it. The company is not liable to be called upon to pay 200,000 *l.* if they get into debt unless the subscribers have subscribed the full amount, which is a thing which seldom occurs.

263. In the event of a company failing altogether to obtain the subscriptions which they require according to their original prospectus, they may still go on carrying on business, and trading upon the comparatively small constitution which they may have formed?—Certainly; they can start whenever they like, as soon as they have money enough to start with.

264. So that a company professing to have a capital of 200,000 *l.*, if they have 70 *l.*, may commence trading upon it, and go on as a Joint Stock Company?—No doubt; and I think that they ought not to be allowed to commence business until they have a certain amount of capital subscribed for.

265. But at present they are at liberty to do so, are they not?—They are.

266. Mr. *Stephen Cave.*] When you mentioned stamps, I suppose you did not mean stamps for examination, or for copies of certificates and documents?—Yes, all the stamps, including the shilling stamp which is put in the book of application at the office.

267. And if the proper fees are paid, however absurd the object of a company may be, you would be bound to register it, if it were in the proper form?—Yes, I have here the names of two companies, one being a Dollar Recovery Company, and the other a Submerged Treasure Company.

268. Mr. *Goschen.*] With regard to the inoperative companies, are you able to tell from your lists which companies are in operation and which are not in operation?—I can judge that by their making no return for years. I should be able to select them.

269. Would it be your duty to examine whether they were operative, or not?—No, I think that it ought to be, but it is not. I have no power to do so. They remain as stumbling blocks in the way of other companies who might

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wish to take the same name, and do the same business.

270. They do not prevent other companies from doing the same business, except as regards the name?—No.

271. Do you mean that the inconvenience is confined to the fact that they monopolize a name which would be useful to other people?—Yes, mainly so.

272. Mr. *Hubbard.*] Is there any positive necessity for a company which has altogether ceased acting, to prove its death?—They are under all the penalties of the Act. They may be fined 5 *l.* a-day for not making their returns.

273. *Chairman.*] Do you suggest this paper which you have handed to me, as a practical classification of the different companies?—Yes; there would be a great many miscellaneous ones still, I believe.

[*The Witness delivered in the following Table:*—]

"Heads for Classifying Registered Companies."

Assurance (Life and Marine).	Fine Arts.
Agriculture.	Financial.
Advertising.	Fishing.
Auction.	Fish culture.
	Foreign Railways.
Banking.	Fuel.
Bread making and Baking.	
Breeding.	Guarantee.
Brewing and Beer selling.	Gas.
Boot making.	
Building.	Horse racing.
	Hotel keeping.
Charitable.	
Clothing.	Insurance (Fire).
Clubs.	Irrigation.
Cotton manufacturing.	Investment.
Carriage makers.	
Canal.	Live Stock Insurance.
Candle.	Land.
Carrying.	Law.
Dressmaking.	Manure.
Drug merchants.	Mining.
Discounting.	Money lending.
Dock.	Musical.
	Mercantile.
Educational.	
Entertainments.	Newspaper.
Engineering.	
Ordnance.	Shipping.
Oil.	Ship-building.
	Shop keeping.
Public Works.	
Patents (working of).	Tailoring.
	Tanning.
Plantations.	Theatrical.
Printing and Publishing.	Telegraphic.
Quarrying.	University.
Recreation.	Wine growing and selling.
Rolling Stock.	Wheelwrights.
Refreshment.	Waterworks.

274. Mr. *Goschen.*] Do you return to the Board of Trade any statement with regard to inoperative companies?—No.

275. Mr. *Graves.*] With regard to companies which have not complied with the requirements of the Act, do you send out any notice when you find that a company has not complied with the obligations of the Act, or do you remain perfectly passive?—As far as I could up to the present time, whenever I have had the opportunity I have sent circulars round to the companies who have not made their returns, and through that means I am now occasionally getting information as to whether they have ceased business, or not: but they are not relieved from their liabilities by legal processes, and they are still under penalties.

276. Mr. *W. E. Forster.*] Have you ever had any persons at your office who have suffered either as shareholders or as creditors of those Companies complaining that the registration has not been complied with?—I have here a letter on the table on that very subject from a man who did not give me his name, but who has been searching for information, and could not get it.

277. Have you had many such cases?—I may say that I have.

278. Do you think that the public generally attribute greater advantages to the registration requirements than they really do confer?—I cannot tell, except by the number of people who search, and there are people there all day long searching for some information or other.

Charles Wordsworth, Esq., Q. C., called in; and Examined.

Charles Wordsworth, Esq. Q.C.

279. You are a Queen's Counsel in large practice, and I believe that you are very familiar with joint stock company law?—Yes, I have known it for a great many years; for about 30 years. I first began to publish at that time, there was no separate book upon it, and I have continued to devote great attention to it for some 30 years. I have published on the subject from time to time, varying my works upon the subject, according as the law was changed until the year before last, when I was enabled to produce the tenth edition of the book, which was originally begun 30 years before. I think that the honourable Chairman has a copy of it before him. It shows the present state of the law of all Joint Stock Companies, except railways and gas, and such like companies requiring the express authority of Parliament.

280. I think that you have made the law of partnership a special study?—I have made the law of Joint Stock Companies, I may say, almost a special study.

281. Have you especially considered the working of the Companies' Act of 1862?—I have given it a great deal of consideration, and a great many cases have been submitted to me for my opinion and advice.

282. Is it your opinion, with the large amount of experience which you possess that the Act requires amendment?—I think that the Act requires a great many amendments; but it must be understood that I quite agree with the principle of limited liability; and if any amendments are required, I consider they ought to be in the nature of safeguards to persons who are removed far away from the masses of intelligence which you find in the city of London and in Glasgow and other places where the existing status of a Company may easily be found; and also in the nature of safeguards or protections to creditors.

283. The object of the Committee being to find out what improvements in the law of 1862 could be made, following the different parts of the Act, will you kindly give us your views as to such practical changes as your experience has suggested to you; and, in the first place, with reference to the constitution of the companies, is there any alteration in their constitution which you would consider advisable?—The constitution of a company under the Companies' Act of 1862, may be said

said to be principally contained in the Memorandum of Association which is the subject of Section 8. There are other matters affecting the constitution to be found in subsequent sections of the statute; but the Memorandum of Association no doubt is the vital part of the constitution of the company, and it requires very anxious consideration on the part of this Committee, with respect to any amendments which may be suggested. The framers of the Act certainly intended that that should be of paramount importance, and that there should be no power to alter it, except in certain given events, which are specifically prescribed in the statute. Perhaps some few words of prohibition might be added; but otherwise, I think that it is quite clear upon the statute that the object was that the Memorandum of Association should contain everything which was proper for a company to state with respect to its objects of business and capital, and that memorandum should not be altered.

284. Would you think it desirable that the prospectus and the articles of association, or the Memorandum of Association should go together, and that the registry of the articles of association should include the registry of the prospectus which is the temptation held out to the public to subscribe to what may be called the partnership deed?—As the law stands it is competent to the promoters to issue a prospectus of the Company before the incorporation of the Company; but, I believe, now, in consequence of the facility of getting incorporation by seven persons signing a piece of paper that practically the prospectus is issued after the incorporation. The prospectus ought of course to follow the Memorandum of Association, and if it does not follow the Memorandum of Association, if it suppresses any material fact, or makes any false statement of a material nature, the persons issuing the prospectus would be in a difficulty with respect to persons having subscribed or having paid their deposit monies for shares; they would be liable to legal proceedings for the purpose of getting a return of the deposits; and, I may also say, that the directors issuing a prospectus of that kind would be criminally liable for a misdemeanour under an Act of Parliament which, perhaps, is not sufficiently known, it is the 24th and 25th Vict. c. 96.

285. Do you think that that penalty upon the directors is a sufficient protection to the public?—I do not; I was going to say that that statute repealed the Fradulent Trustees Act, and I think that it is proper that the Committee should know what the provision was in that Act; it applied not only to fraudulent trustees, but also to directors of companies, and it was repealed by the statute of the 24th and 25th Vict. c. 96, which was, I think, the Criminal Consolidation Act; but the provision in the Fraudulent Trustees Act, and which is repeated in the subsequent statute, is one of considerable importance; the substance of it is this, that any person being a director and concurring in the issuing of a prospectus, or being a party to the issuing of a prospectus containing any false statement with regard to the capital or any other matter or thing relating to a company shall be guilty of a misdemeanor, and he shall be liable to be imprisoned for three years, or less, or be subject to a fine. There is a great reluctance on the part of persons to pursue this criminal remedy. When once any person is injured by what has been done in the formation of a Joint Stock Company, he is more anxious, if possible, to save his money than to take proceedings which are of a criminal nature, and which may result only in the punishment of an individual, so that, although there is this provision in the statute, subjecting a party who concurs in issuing a false prospectus of this kind to a certain amount of punishment, yet it is seldom or never resorted to.

286. Then do you think that the protection to the public with reference to the issue of fraudulent or untrue prospectuses is sufficient under that Act, or that there should be some further protection, and if so, what?—I was about to say that, with regard to that particular Act of Parliament, there is a provision that there might be a fine inflicted by the judge. I think that as I am here to make any suggestions which may occur to me, I ought not to lose this opportunity of saying that the option of inflicting a fine by a criminal Court upon any director who has misconducted himself in the way which I have pointed out ought to be taken away, because we know practically (and I am very glad to speak in the presence of Her Majesty's Solicitor General) that the fines are generally very small, and that they do not operate by way of punishment in many cases. I should be rather disposed to suggest an alteration which would have the effect of making a director so guilty of misconduct liable for any losses which may have been sustained, and I think that that is the direction in which some alteration might be safely carried out.

287. Then practically, in some shape or other, you would place the directors under a sort of unlimited liability?—Yes; at present they are very irresponsible.

288. Would you make them responsible through their interests?—Yes.

289. Then with reference to borrowing powers, are you of opinion that those should be defined in the Memorandum of Association?—Yes; but if you will permit me, as this Memorandum of Association is of the first importance, I would say something upon the subject of stating the objects of business in the memorandum. The former state of the law was this, that a company which was formed for life insurance could not undertake marine insurance. That was the case in Natusch and Irving, which is well known to all lawyers; and subsequently came a case which is known, no doubt, to all the Honourable Members of the Committee, of a railway company having power to make a railway between A and B, and having only power to make the railway, embarking in a steam-boat concern at the terminus B, with the object of enlarging its traffic, and carrying on a profitable trade. It was a very good object in that sense, but of course it was declared in a Court of Equity to be quite impossible, as being beyond the powers of the company, and it was necessary to have another Act of Parliament for that extra object. Then the familiar instance under the Act of 1862 (to come to this Act), is the one which I am now about to give to you, and which came under my own observation. One of the finance companies, authorised by its memorandum to advance money upon warrants and other commercial *indicia* of property, took to completing a contract which had been entered into by a railway contractor. It was a case of a small railway in the Isle of Wight. The contractor had failed, and I do not know how it was, but this finance company took

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to the contract to complete the railway, and it did complete the railway, and was paid for the work so done, partly in money and partly in shares. That was clearly going beyond their powers as a finance company, looking to the objects as disclosed in the Memorandum of Association, and this obvious circumstance ought to have occurred to the directors that they were making themselves and their shareholders shareholders in a railway company. That is a third instance which I have taken the liberty of giving to the Committee, in order to impress upon their minds the importance of the Memorandum of Association. Now, perhaps I may be permitted to read what was said by Lord Justice Turner on this subject: "The directors of a company are in a sense trustees, and have authority to bind the company to the extent of the powers given to them by the constitution of the company; but in the absence of previous authority, or of subsequent concurrence on the part of all the shareholders, the directors have not any authority to bind the company in any matter of substance beyond the extent of the powers so given to them; they must keep within the proper limits; powers given to them for one purpose cannot be used for another and a different purpose." That is the judgment of Lord Justice Turner as far back as the year 1855. It is very well known in the Equity Courts; and is reported in the "Law Journal" of 1855, Chancery division, page 130. It is also a rule in equity that an injunction may be obtained to restrain the company from entering upon a new or different business on the application of a single dissentient shareholder. Therefore it is of immense importance that the objects of business should be distinctly disclosed in the Memorandum of Association. You will find that that memorandum cannot be altered.

290. Are you speaking now of the statute of 1862?—Yes; the statute says, at Section 12, "Any company limited by shares" (my observations will be taken generally to apply to Limited Liability Companies, unless I specify to the contrary) "may so far modify the conditions contained in its Memorandum of Association, if authorised to do so by its regulations as originally framed, or as altered by special resolution, in manner hereinafter mentioned, as to increase its capital by the issue of new shares of such amount as it thinks expedient, or to consolidate and divide its capital into shares of larger amount than its existing shares, or to convert its paid-up shares into stock; but, save as aforesaid, and save as hereinafter provided, in the case of a change of name, no alteration shall be made by any company in the conditions contained in its Memorandum of Association." Therefore it is abundantly apparent that the framers of this statute were anxious to make the Memorandum of Association a most efficient instrument, as disclosing to the public not merely what was intended to be the business of the company, but, as may be hereafter shown, the amount of capital, and all other things which were necessary for the working of it.

291. Where do you think that the Act fails in doing so?—Here I think it fails: at present the statute says that the memorandum shall not be altered, but it is altered, and I have given you an instance of it as arising under this Act of Parliament; that is one of numerous instances which are continually occurring, and continual applications are being made to a Court of Equity at the instance of a shareholder, on the ground that the directors who are the managing parties, are taking to a fresh business, the shareholders very seldom being consulted upon it; it continually happens that a bill is filed in order to set aside such a contract on the ground of the power which is so exercised by the directors, being *ultra vires*; you see to what a great deal of litigation that gives rise, and great expense is thereby incurred; but then the persons who have been the means of its being done are not punished; they are mere directors, and they are not required to have any prescribed number of shares; it depends entirely upon convention, upon agreement between the parties whether they, as directors, are to hold one or more than one share, so that even supposing they hold 50 shares each they only suffer in the same proportion as all the shareholders of the company, according to the number of shares held by them; there is no punishment inflicted upon the directors (and that is what I want to impress upon the Committee), except that which is inflicted upon the innocent shareholders; now I submit that the directors ought to be made personally responsible for any wilful departure from the objects of business as disclosed in the Memorandum of Association.

292. You contend that at present they are not so responsible?—I am clearly of opinion that at present they are not. I am not speaking now of the issuing of a prospectus containing a false statement, which is a different thing, but of the engaging in a business different from that which is disclosed in the Memorandum of Association.

293. That is to say, although they would be responsible under the Act which you have quoted for any misrepresentation in the prospectus, they may intentionally depart utterly from the objects of the association, and go scot free?—Yes.

294. And your object is to make them personally liable, which you state at present they are not, for any departure from those objects?—Yes; either that should be done, or there should be some penal infliction upon them.

295. Is it your opinion that some change should be made in the position of the subscribers to the Memorandum of Association?—Yes; I think I have said all that need be said as to the other points, and that brings me to the persons who subscribe. It is a great absurdity; but the Memorandum of Association may be tendered to the Registrar, and he has no power whatever to refuse it. I heard something said as to that by the Registrar to-day, but I think he goes a little further than the statute warrants him in going; and although it may be beneficial, yet I question whether it is legally done. The remedy against him, which would be only by a writ of mandamus, is not often resorted to, because it is expensive and inconvenient to the person who may complain of the refusal of the registrar to do the particular thing, or to receive the particular return; but as far as the Memorandum of Association is concerned, he has merely to receive the piece of paper, and if it purports to be signed by seven persons, and adopts the form contained in the schedule to the Act, or as near thereto as circumstances will admit of, to use the words of section 71, then I am of opinion that he has no power to reject it, and that he must, as a matter of course, give a certificate of incorporation. Now take this case by way of illustration. Seven persons sign a Memorandum of Association, each person engaging to take one share; as far as I have gone now, I have

have followed the statute; there must be seven as the minimum number, and there must be one share signed for as the minimum number, but the statute is silent as to the nominal value of the shares. Seven persons each engaging to take one share of one farthing each, take this piece of paper to the Registrar of Joint Stock Companies, and they are, *ipso facto*, a corporation in perpetuity, with power to hold lands, and with power to hold any capital of another amount that may be mentioned in the memorandum itself. For instance, supposing the memorandum to say that the capital of the company is one million and seven farthings, and that the million shall be divided into 100,000 shares at 10 *l.* each, and that the seven farthings shall constitute seven shares of one farthing each, it is an absurdity upon the statement that I am making to you, but the law permits it; it can be done to-morrow, and the Registrar of Joint Stock Companies might be compelled by mandamus to grant a certificate of incorporation in perpetuity. I submit to you that that ought not to be. I quite agree in the principle of limited liability; there is no question of that before this Committee. I wrote in favour of it 28 or 30 years ago, and I am very glad to see it established; but I think that, looking at the operation of the Act of 1862, there might be some safeguards or alterations made; and I think there ought to be a minimum amount or value of each share prescribed, and that the subscribers to the memorandum, upon whose names the certificate of incorporation in perpetuity is to be obtained, should be required to take a minimum number of shares.

296. That is your cure for the evil?—That is the only thing which I can suggest, because, as I apprehend, what is wanted is, that the concern shall be brought before the world in a little more substantial way; I think there ought to be a certain amount of paid-up capital before a company can commence business; at present the memorandum here says what is nominal capital, but if it could be made to say that so much paid-up capital is existing at the time of incorporation it would be so much the better. I think there ought to be a prohibition on this subject, for these companies are incorporated in perpetuity, and cannot be dissolved under any circumstances, unless they come to grief, and get into the winding-up court. There is no power in a Court of Law to dissolve a corporation which has been created under this statute, unless it comes to the Court of Chancery under the winding-up provisions; that is a very serious thing. Of this capital, therefore, there ought to be a certain amount, I think, paid up before they should be allowed to commence business, and there is no provision of that sort in the statute.

297. We have four points before us, one is with reference to the objects of business, that the directors should be held liable for any departure from the objects of partnership; then, with regard to subscribers to the Memorandum of Association, that they should hold a defined and substantial share interest in the concern, and should not be holders of one share of a farthing each; and then the next point is, that the concern shall not begin to operate unless it has a certain paid-up amount of capital actually in hand before it does the first transaction?—Yes.

298. Mr. *Hubbard.*] Can you suggest any proportion of the intended capital, and any proportion of the whole capital which the promoters ought to provide before they commence working?—I think that whatever may be the nominal capital, one-half of that capital ought to be paid up, because they have the option themselves of making that half.

299. *Chairman.*] Do you mean to say that, supposing the nominal capital is one million, and they chose to start with half a million of nominal capital, you would compel them to pay up half of that half-million before they did their first transaction?—Yes.

300. Supposing that they were a discount company, for instance, would you require that half of that half-million must be actually paid into some bankers before they discounted their first bill?—I think that that ought to be so; what security have parties that the concern will be a-going concern; at the present moment parties obtain their incorporation by signing this piece of paper, and they may begin business with nothing in the shape of capital; I ask if that is a proper sort of thing in a commercial country; of course in London, and in any large centre of population, the true status of a concern of that kind can be readily ascertained, but there are a great many persons abroad, and in the remote provinces of this country, who subscribe their monies to these concerns, not upon seeing any memorandum, but upon the faith of a prospectus which is advertised; and it is in their behalf that I suggest that something in the shape of a safe guard should be provided.

301. That being with regard to shares, we come now to the question of borrowing; as I understand at present, if the articles of association are drawn at the discretion of the directors, there is an unlimited power of borrowing; you suggest that that power should be defined?—I think that companies under this Act ought to be like railway companies. A railway company, I believe, has its borrowing powers defined, and I do not see why a company under this Act should not have its borrowing powers defined; they may be one-third, as to the amount; of course that is a matter for the consideration of the Committee; it may possibly be calculated or fixed in the same way as it is under a special Act for a railway company. Then there is a power to increase the capital which is given by the statute, but there is no power to borrow, so that you have from the framers of this Act an intention to give a power to increase the capital if the power is exercised in a particular way, which must be done by a special resolution come to at a general meeting of the shareholders. There is that power to increase the capital, but there is no power to borrow, and that borrowing power, I think, ought to be given in express terms, and not left in a state of doubt as it is now. Whilst we are upon capital, I may state that there is very great inconvenience sustained in some cases, by reason of there being no power to diminish capital; the statute gives an express power to increase capital, but no power whatever to diminish it. If it be true that the Memorandum of Association cannot be altered with respect to capital, as it is clear that it cannot be, of course the concern may be placed in a situation of great inconvenience from not being able to reduce its capital. There are many companies, as is evident to the Honourable Members of this Committee, which are started with a capital of 1,000,000 *l.*, which in practice are found to be capable of being worked at a profit upon 500,000 *l.*; why should there not be a power to

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reduce the capital from 1,000,000 *l.* to 500,000 *l.*? It may be put in a more practical way, thus: supposing 1,000,000 *l.* to be paid up, and yet the concern can be worked upon a capital of 500,000 *l.*, it must be clear to the Committee, that the amount of interest or dividend upon the 500,000 *l.* is diminished by the necessity of paying upon the remaining 500,000 *l.*, which is entirely unproductive; but still that state of things must exist, simply because there is no power to diminish capital, nor is there any power to diminish the nominal amount of shares, which of course would be of some importance.

302. Is there not power to diminish the capital of unlimited companies under the Act of 1862, and the same power as regards limited companies limited by guarantee?—I am not aware of any power to diminish capital in this statute.

303. Mr. *Lowe.*] It was in the Act of 1856?—It was in the Right Honourable Member's Act of 1857.

304. Mr. *W. E. Forster.*] At present there is a power for an Unlimited Joint Stock Bank to change itself into a Limited Bank, is there not?—Yes.

305. Mr. *Goschen.*] That is practically limiting its liabilities?—Yes, but it only applies to the case of a bank.

306. *Chairman.*] Was there in the Act of 1856 a power to a limited company to reduce its capital?—There was.

307. And you think that we should go back to that state of things; if the capital is found to be in excess of the business, which experience only can show, that then the shareholders should have the power of reducing that capital by a simple process, and not by being compelled to wade through the liquidations in the Court of Chancery?—Yes; there is a provision in the Act of Parliament under which an unlimited company formed before the Act of 1862, may under that Act form themselves into a limited company, but I do not know of any provision to diminish the amount of capital or the nominal amount of shares.

308. Mr. *Hubbard.*] In clause 12, which you mentioned, there is a power for re-dividing the capital into larger shares; is there any power of dividing the capital into smaller shares?—There is not; that is precisely what I say ought to be done; there ought to be a power given to diminish the nominal amount of shares,

309. Mr. *Goschen.*] Of course with the most rigorous conditions as to reserving the rights of the creditors of a company; there is great jealousy of reducing the liabilities of companies on account of the credit which they have gained upon their larger capital?—The principle of this Act with regard to limited liability is this: at present a shareholder may say, "I pay up my shares, and I can incur by no possibility any liability beyond that." If that is done, what can the creditors say? The creditors can only say this, "The shareholders have paid up all that they can be required to pay up, and we, as creditors, have no rights as against them; our rights can only be against the funds or the property of the company." That is the actual position in which the creditors are placed in such a case; they have no remedy at all against the shareholders.

310. Supposing that there were 100 *l.* shares with 50 *l.* paid up, if you diminished those shares from 100 *l.* to 50 *l.*, you would be lessening the assets of the company by 50 *l.* per cent., would you not?—Certainly, supposing it to be in debt, and to be wound up.

Friday, 22nd March 1867.

MEMBERS PRESENT:

Lord Frederick Cavendish.	Mr. Lowe.
Mr. Finlay.	Sir Graham Montgomery.
Mr. W. E. Forster.	Mr. Vance.
Mr. Goschen.	Mr. Watkin.

EDWARD WILLIAM WATKIN, Esq., IN THE CHAIR.

CHARLES WORDSWORTH, Esq., Q.C., called in; and further Examined.

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311. *Chairman.*] I BELIEVE you wish to add something to the evidence which you gave on the last day of the meeting of the Committee?—On the last occasion when I was before the Committee reference was made to a statutory provision inflicting a punishment on directors and others circulating a prospectus containing false statements, with the view of getting shares subscribed for; I said, that the provision was contained in the Fraudulent Trustees Act, and that that Act had been repealed by the Criminal Consolidation Act, and I gave references to the Acts, but I had not the opportunity at the moment of giving the exact words of the Statute to the Committee; and, with their permission, I will give them now: "If any director, manager, or public officer of any body corporate, or public company shall make, circulate, or publish, or concur in making, circulating, or publishing any written statement or account which he shall know to be false in any material particular, with intent to deceive or defraud any member, shareholder, or creditor of such body corporate or public company, or with intent to induce any person to become a shareholder or partner therein, or to intrust or advance any money or property to such body corporate or public company, or to enter into any security for the benefit thereof, he shall be guilty of a misdemeanor"; and the 10th clause says: "Every person found guilty of a misdemeanour under this Act shall be liable, at the discretion of the court, to be kept in penal servitude for the term of three years, or to suffer such other punishment by imprisonment for not more than two years, with or without hard labour or by fine, as the court shall award." With regard to the fine, it is not necessary for me to repeat what I said before as to the inefficiency of that sort of punishment. The next point was with regard to the prospectus; something was said upon the subject of the prospectus which is issued by the directors of a company after incorporation. I suggested that no prospectus should be issued unless it contains a distinct statement in it that the Memorandum and Articles of Association are lying at the company's offices, and can be inspected by any person desirous of applying for shares. At present there is no provision on the subject. It is entirely optional on the part of those who issue the prospectus. Occasionally I have seen it done, but it ought to be made a matter entirely compulsory, not merely looking to the face of the prospectus and its operation in itself, but in conjunction with something which I am about to suggest to the Committee, of considerable importance with reference to section 35, when we come to it. This observation, however, may be made: that, if a statement of that kind is contained in the prospectus, any party has the *means of knowledge* afforded to him, whether in London or wherever he may be; he has a distinct notice that he can see what the constitution of the company is, and what its objects of business are. Another point was with regard to the power of borrowing, and other things on the part of the directors. I did not call attention to a particular clause in the Regulations Table (A), which is annexed to the Companies Act of 1862, as I ought to have done, but it is clause 55. I think I have already intimated to the Committee that any persons forming a company under this Act, may or may not adopt the regulations in table (A). They have the option of throwing it entirely over-board, or of throwing any portion of it over-board which they like, and of having articles of their own. But the Statute says that, if they have no articles of their own, then the regulations in table (A), in the schedule to the Act, shall be the Articles of Association. Then, assuming the company not to have Articles of Association, it being optional whether they shall have them or not, it is very often the case that persons in their hurry establish a company, by merely tendering the Memorandum of Association, getting, in exchange, the certificate of incorporation, in which case the regulations apply; and then they find out afterwards, very often to their cost, that, looking at the various objects of the particular company, the powers as given by the regulations in the Statute are not sufficient. But supposing the company not to be formed by means of its own articles, then clause 55 of the Regulations of Table (A) in the Schedule to the Act applies: "Powers of directors. The business of the company shall be managed by the directors, who may pay all expenses incurred in getting up and registering the company, and may exercise all such powers of the company as are not by the foregoing Act, or by these articles, required to be exercised by the company in general meeting, subject, nevertheless, to any regulations of these articles, to the provisions of the foregoing Act, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the company in general meeting; but no regulations made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if

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if such regulation had not been made." Now, that is the only clause under which the directors have the power of management. I have seen a good many Articles of Association since the Act was passed, and, generally speaking, they contain similar words. It is very seldom that they contain more powers, so that it is left quite at large to the directors to manage the company, to borrow, and to do other things *ultra vires* which were alluded to on the former occasion. With the permission of the Committee, I will make a few more suggestions in the order in which the clauses of the Statute run. The first to which I will refer is clause 19 of the Statute of 1862: "A copy of the Memorandum of Association, having annexed thereto the Articles of Association (if any) shall be forwarded to every member at his *request*, on payment of the sum of 1 *s.*, or such less sum as may be prescribed by the company, for each copy; and if any company makes default in forwarding a copy of the Memorandum of Association and Articles of Association (if any) to a member in pursuance of this section, the company so making default shall, for each offence, incur a penalty not exceeding 1 *l.*" Now the suggestion that the prospectus should contain an intimation that the memorandum and articles might be inspected at the office afforded *means of knowledge* to the parties. I propose an alteration in this clause, the effect of which will be to give the party *actual knowledge*.

312. In fact, you propose to fix him with the knowledge of the contract?—Yes; and therefore I say that, instead of sending only, on request, to the member, the words "at his request," should be expunged, and that it should be a compulsory act on the directors to send a man a copy the moment his name is put on the register. Then you will have two ingredients which are very important in the consideration of a court of equity when they come to dispose of a question whether a contract is to be sustained or not,—actual knowledge and means of knowledge. The clause also wants amendment as to the penalty for not sending it. "The company so making default shall, for each offence, incur a penalty not exceeding 1 *l.*" It is a penalty on the company, which is an aggregation of persons, and they do not feel it. The 1 *l.* would go out of the funds, and it is no penalty on the governing body of directors, who have been the means of the thing not being done; and I think that the penalty, whatever the Committee should choose to impose as to amount, should be upon the directors.

313. Upon the managing body?—Upon the managing body; in the same way as it is in some other parts of the Statute.

314. Mr. *W. E. Forster.*] Before you leave that, allow me to ask you this question as to the interpretation of the Act; the 19th clause says that "The Articles of Association (if any) shall be forwarded to every member;" does that mean an original member, or a member at the time?—The member at the time; whenever the person became a member.

315. Mr. *Goschen.*] Would it apply to any one person purchasing shares?—The moment that a person's name is upon the register; but of course it would not be of so much consequence in the case of a transferee of shares, as in the case of a person becoming a member originally. A man in the provinces applies for shares when he sees the prospectus and pays the deposit, and his name is entered upon the register. The object of the suggestion is, that the moment that is done, as he is a member of the corporation, he shall know what the corporation is.

316. Mr. *W. E. Forster.*] There are many cases, are there not, in which allotment scrip is sold soon after a company is brought out, and, consequently, the membership may have changed hand several times before anybody actually gets upon the register?—But, in fact, there is no membership until the name is put upon the register. You will find that in the section to which I am just going to draw your attention.

317. Mr. *Vance*]. Do you purpose increasing the amount of penalty from 1 *l.* to some larger sum which you would inflict upon the directors?—I think that it might be 5 *l.* a-day, or something of that sort; but that is a question for the Committee.

318. *Chairman.*] Your point, I suppose, is rather to make the people more responsible for doing these Acts?—That is substantially what I wish to suggest. I hope that the Honourable Member for Bradford will permit me to say that this is what he is pointing to in a great degree. Clause 23 says, "The subscribers of the Memorandum of Association of any company under this Act, shall be deemed to have agreed to become members of the company, whose Memorandum they have subscribed, and upon the registration of the company shall be entered as members on the register of members hereinafter mentioned; and every other person who has agreed to become a member of a company under this Act and whose name is entered on the register of members, shall be deemed to be a member of the company." That is, until there is a registration of the name, there is no membership, whatever the transactions may have been beforehand in the transfer or sale of scrip. With regard to that, I do not think, as at present advised, that it requires any alteration; but it is open to this remark, that there is no time prescribed within which the party's name shall be inserted upon the register; it is left to the directors to do it, and I suppose that they would see it done. But section 25 says, "Every company under this Act, shall cause to be kept in one or more books, a register of its members, and there shall be entered therein the following particulars: (1.) The names and addresses, and the occupations (if any) of the members of the company, with the addition, in the case of a company having a capital divided into shares, of a statement of the shares held by each member, distinguishing each share by its number; and of the amount paid, or agreed to be considered as paid on the shares of each member. (2.) The date at which the name of any person was entered in the register as a member. (3.) The date at which any person ceased to be a member; and any company acting in contravention of this section, shall incur a penalty not exceeding 5 *l.*, for every day during which its default in complying with the provisions of this section continues, and every director or manager of the company who shall knowingly and wilfully authorise or permit such contravention, shall incur the like penalty;" still nothing is said as to the precise time when it shall be done.

319. Would you suggest that some time should be specified?—I think so, and then the penalty would become stricter as attaching sooner; within seven days or something of that sort. Then

Then as to Clause 26, I have only one suggestion to make. It has occurred to me before, and I am confirmed in my impression by something which was said by an Honourable Member on the last occasion. This clause requires an annual list of members to be sent to the registrar; that certainly ought to be done every six months.

320. That is to say, that instead of a man only knowing once a year who the partners are, he may know every six months?—Yes; but for the inconvenience of the company itself making the return, I do not know why it should not be done every three months.

321. Is there any reason why the company should not transmit, even weekly, a list of the changes of partners?—I do not see why it should not be done. The object is, of course, to give a real power of inspection at the office of the registrar of Joint Stock Companies to every person, whether he be a member of the particular company, or a man who proposes to become a member of the particular company.

322. Then you think, in fact, a register, which only enables you to see who were the partners on one particular day, in the year, is really of very little value?—Quite so.

323. Mr. *Goschen.*] Would it not be almost as useful as registering it every week at the registrar's office, if a regulation were made that the shareholder could see at the office of the company to which he belonged, during business hours, a list of the shares, and of the latest transfers?—Members, I believe, can inspect now as often as they like, subject to certain regulations on the part of the directors. Clause 32 gives that power, but it does not give a right to the public, or to creditors, to inspect; and, besides that, it is a right which might be seriously impeded by the acts or will of the directors. No doubt some more stringent provision might be made to give inspection at the company's office; but still, it should not dispense with the public inspection at a public office, which I think so desirable.

324. *Chairman.*] But do you not think that in Clause 32 the inspection is almost as compulsory as it can be made; the company being bound to keep a register, and to have it open for at least two hours every day, every member being allowed to inspect it gratis, and everyone else upon payment of a shilling?—Yes.

325. There being this power of inspection to every member of the company, or to every member of the public, will you point out what would be the particular practical good of the inspection at the registrar's office?—In large companies it is not likely that the provisions in Section 32 would be evaded, but there are some companies which are entirely in the hands of a few individuals who coalesce, and who have sometimes improper views as to carrying on the concern, to whom it might be a serious objection to have the inspection made, and they might easily determine amongst themselves that there should be no inspection.

326. Does it not also strike you as important that a person should be able to go to one central office, and follow the same name through the various companies?—I think so. There are a great many reasons which might be urged for a public inspection.

327. Your suggestion is, that there should be a shorter account of the partnership kept than at present?—Yes.

328. Then what is your next point?—Section 34 makes provision for a notice of increase of capital; I think I have said that there ought to be a power to diminish capital, and if so, Clause 34 would have to be enlarged, by providing for the fact of diminution of capital being conveyed by a notice to the registrar, in the same way as increase of capital.

329. Then you would amend Clause 34 by making it cover a reduction of the capital, and also providing that of that reduction, notice should be given not only to the members but to the registrar?—Yes.

330. Mr. *Vance.*] Would not that reduction of the capital damage the security of the creditors to a certain extent?—That might, or might not, be the case; it would not damage the security of the creditors where contracts had already been entered into. This Act of Parliament at present gives an opportunity to an unlimited banking company, that is to say, a bank formed before the Companies Act of 1862, to become a limited company under that Act; now that is a very strong case, but it makes this provision, that it shall not affect any contracts previously entered into, so that it will only have a prospective effect.

331. Would you carry that provision into this suggestion also?—Yes.

332. *Chairman.*] Then, as to the removal of the names from the register, have you anything to suggest with regard to that?—Yes; this, I think, is really of very great importance; at present it stands thus: "If the name of any person is, without sufficient cause, entered in or omitted from the register of members of any company under this Act, or if default is made, or unnecessary delay takes place in entering on the register, the fact of any person having ceased to be a member of the company, the person or member aggrieved, or any member of the company itself may, as respects companies registered in England or Ireland, by motion in any of Her Majesty's Superior Courts of Law or Equity," apply for an order of the Court that the register may be rectified. In practice, since the passing of this Act, there have been very few instances, I think, not more than half-a-dozen, of applications to a Court of Common Law, the bar at which I practice; they have been mostly in Equity. I would dispose of what I have to say upon this subject, in the first instance, with your permission, so far as regards the Courts of Common Law. This clause of the Act of Parliament contains at the end this proviso: "Provided that the Court, if a Court of Common Law, may direct an issue to be tried, in which any question of law may be raised, and a writ of error or appeal, in the manner directed by 'The Common Law Procedure Act, 1854,' shall lie." Now, it is perfectly competent to a Court of Common Law sitting in Banco generally with four judges, and seldom with less than three judges, to dispose of the whole matter upon affidavits, taking the points of law arising out of the facts, and disposing of the whole matter; and I submit that there ought to be no power whatever to direct an issue, because the effect of it would be, that after the matter had been heard and gone into before the Court, it would be postponed, further litigation would arise, and an issue would have to be tried before a jury; great expense would be incurred in that way, and it would be subject to motions for a new trial; and then the issue would have to come back to the Court, in

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order that the matter might be determined; and possibly afterwards it might go to a Court of Error, and so on. Now, I do not see why a Court of Law with four judges, or three judges, should not be as competent to dispose of a matter as a single judge is in Equity; I do not see why there should be a power given to send an issue to a jury.

333. Then you think that the Court should be required to dispose of a case upon the facts disclosed before them when the application for removal is made?—Entirely so; if it were necessary to have an appeal from that, so as to put the Court of Common Law in the same position as to that matter as a Court of Equity is, then the thing might be permitted to go to a Court of Error, which would be a Court of Appeal in the Courts of Common Law. But what I object to is the power given to the Common Law Court to refer the matter again in the shape of an issue directed to a jury.

334. The result being delay, great expense, and in point of fact, I am afraid, conflicting decisions?—Yes.

335. Then what is your view with reference to the shareholder himself questioning his membership?—With respect to the effect of this statute upon those memberships, that is a matter of very great importance, for the cases in the Courts of Equity have been numerous; and I cannot help thinking that if there had been that provision in the prospectus affording the means of knowledge, and that alteration in Clause 19, affording actual knowledge, and a provision that, except within a limited time after a man's name had been placed upon the register, he should not be permitted to question his membership, no such case as Overend and Gurney's case, and other cases, in which so much misery has been inflicted, and so much delay and wasteful expenditure occurred, could have arisen.

336. Your suggestion could be summed up as follows: that you would make, practically, the sending to each member of the Articles of Association absolute and compulsory; and having given the member full power, having fixed him in fact with the full knowledge of what he was doing, you would not permit him to question his membership after a certain number of months, from the time of receiving the copy of the Memorandum and Articles of Association?—After his name had been three months on the register, he certainly ought not to be allowed to question his position in the company as a member of the company; it would be unfair and dishonest, I take it, that a man, paying his money and entering into a contract upon a prospectus giving him the means of knowing what the concern is, and upon information which is absolutely furnished immediately upon his becoming a member under Section 19, should have any opportunity allowed to him to question the contract that he had entered into.

337. Will you state, in passing, the effect which this power of questioning has had upon the winding-up in the case of Overend and Gurney, to which you have alluded?—I do not know that I am competent to answer that question.

338. Can you state generally whether it has led to considerable delay and great litigation and great doubt, as to whether the creditors were protected or not?—I do not practice at the Equity bar, and that is a misfortune for me just now; but I know very little, in fact, scarcely anything more than what I have gathered from the newspapers about it. But the thing can easily be ascertained. I infer that great delay has taken place in the payment of creditors.

339. At all events, your experience leads you to believe that, if the two suggestions which you have made were carried out, a great deal of this delay and difficulty would be obviated in future?—Yes. Perhaps I may be allowed to say, in continuation of my former remarks, that Section 35 stands in the general portion of the Act, and not in the winding-up portion; but the winding-up portion says that the official liquidator, after an order has been made for winding up a company, is to prepare a list of contributories; that is to say, a list of persons who are to contribute assets for the payment of the company's debts.

340. They are practically, then, the existing shareholders?—They are the then existing shareholders; and for that purpose he takes the register of members, which is the subject of Clause 35, to which I referred just now, and makes out the list of contributories. That is done under Clause 98. "As soon as may be after making an order for winding up the company, the Court shall settle a list of contributories, with power to rectify the register of members in all cases where such rectification is required, in pursuance of this Act, and shall cause the assets of the company to be collected and applied in discharge of its liabilities." So that the official liquidator makes out the list from the register of members, and that list contains the names of the parties who ought to pay; but that list of contributories cannot be settled by the Court, for this reason: there are petitions sent in from persons who are upon the register, and who say, "We ought not to be upon the register, therefore remove our names from it, under the power given to you under Section 35." If the Court makes an order to that effect, the list of contributories is altered. The course is, an application is made by the member, the party interested; he wants his name taken off the register; his application is opposed by the company, and a great delay takes place, and great expense is incurred. That is not the case in one instance only, but it is the case in innumerable instances, so that until the list of contributories can be settled, it cannot be determined who is to pay, or how much they are to pay, because the *quantum* is dependent upon the number of individuals. If there are 100 members, and only 50 of them are, without question, members, and any portion of the remaining number are applying to have their names altered, or taken away from the register, it is quite clear that the liquidator cannot say how much must be paid by different persons, because the call must be equal.

341. Then is it not the case that under the present system this difficulty and delay in settling the list of contributories, as it were, prevents any step being taken in the practical liquidation of the company for a period which is more or less indefinite?—I think the Honourable Chairman has put it in fewer words and much more clearly than I possibly could have done.

342. Mr. *W. E. Forster.*] In the case of that special firm of Overend and Gurneys, which the Chairman mentioned to you, do you speak from any personal knowledge?—No, I do not, and I do not wish to be misunderstood as to that.

343. Mr. *Vance.*] You object to the directing of an issue by a Court of Law; would it be your suggestion

suggestion that they should decide upon documtary or upon *vivâ voce* evidence in the matter?—Upon documentary evidence in the same way as a Court of Equity does; when a Court of Equity determines a case it is upon affidavits, and in a Court of Common Law matters are commonly disposed of upon affidavits of facts, and I do not see why that mode should not be pursued.

344. Then you are of opinion that it should not be decided upon *vivâ voce* evidence?—I think it should not be tried before a jury, on account of the delay and the expense; of course a power might be given to the court to examine the witnesses *viva voce*, then and there, in addition, if they had any doubt upon the facts as disclosed upon the face of the affidavits; I am much obliged to the Honourable Member for drawing my attention to that; I think that might be done.

345. And you think that might be done when they had no power to direct an issue?—I think that that power might be conveniently given to them, and that they should not have the other power at all.

346. *Chairman.*] With regard to Clause 39, may the Committee gather your opinion to be that you think the penalty given in that clause should extend to the directors also in that case, and should not fall on the company?—That is so; then as to Section 43, I would apply the register of mortgages to debentures and every security, except bills of exchange; bills of exchange, of course, are part of the circulating medium of the country, and require to be given, made, and entered into instanter, and they could not wait for any return being made to the Registrar of Joint Stock Companies; my suggestion is, that of all securities a return should be made to the registrar, and not only of all securities, mortgages, and debentures, but that before they should have any validity, the registrar's seal seal should be affixed to them; of course that does not apply to bills of exchange.

347. Would not that be really making the registrar responsible for the validity of the document?—Only in this way. Supposing the Committee to determine that the law requires an alteration in this way, that the maximum borrowing powers shall be specified in the Memorandum of Association. I do not want to refer to any particular concern, but we know that borrowing powers, although prescribed by Act of Parliament, have been exceeded, in fact, by the directors, and then the securities become worthless to the extent to which the amount borrowed may be in excess of the borrowing powers. I should be disposed to think that those securities would be worthless; and that would be a very serious evil indeed, an evil which could not arise if there was existing a power in some one to say, "The Legislature or the Memorandum of Association gives power to borrow by mortgage, or by debenture, or other like security, to the extent of 500,000 *l.*" Now, 450,000 *l.* worth of such securities have been registered in my office (I speak now as the Registrar of Joint Stock Companies). There is a margin of another 50,000 *l.* worth of securities tendered, and as I fix my seal to that, the power is exhausted. The next day some additional debentures come in, and I reject them.

348. Mr. *W. E. Forster.*] Are you aware of any companies registered under this Act of 1862, in which the borrowing powers have been exceeded?—No borrowing powers are prescribed by the Statute.

349. Then, does your remark apply to companies under this Act, or does it not rather apply to railways?—No; for the simple reason that in the previous part of my examination I have suggested that the Memorandum of Association should contain a stipulation that there should be a limit to the borrowing powers to a certain extent.

350. I understood you to allude to well-known cases in which the borrowing powers had been exceeded; do you mean cases of companies under this Act, or of companies not under this Act?—The case which I speak of was that of a railway company. I mean to say this, that if there had been a provision existing at that time of the kind to which I now refer, and which I suggest in this Statute, that over issue of debentures could never have arisen.

351. But your suggestion would apply rather, would it not, to legislation for railways, than to legislation for companies under this Limited Liability Act of 1862?—My recommendation is distinctly for an alteration in the legislative power as to companies under this Act; it is quite foreign to me, sitting here, to make any suggestion with regard to railway companies.

352. I understood you to state just now, that if your suggestion had been carried out with regard to the alteration of this Act, it would have applied to such a case as that of the London, Chatham and Dover Railway Company?—I have not made myself understood, but it was, doubtless, want of clearness on my part; all I meant to say, was to cite the case of an over issue of debentures in the case of a railway company as a very important matter.

353. But you are not aware of any case in which there has been a similar over-issue by companies under the operation of this Act?—No; simply because it could not be, the Statute not requiring that any borrowing powers should be inserted in the Memorandum of Association.

354. Lord *Frederick Cavendish.*] But it is often inserted in the articles, is it not?—In the articles it is very often inserted.

355. Has there ever been any case in which that power has been exceeded?—I am not aware of any. The Articles of Association, you must bear in mind, are an instrument which may be framed in any way that the parties desire. They may insert a borrowing power, or not.

356. Mr. *Goschen.*] Has it occurred in your experience that, where the borrowing power has been inserted in the Articles of Association (as I think it has very often been inserted), questions of law have afterwards arisen as to the borrowing power having been exceeded?—I have not known any instance of this kind with reference to companies under this Act.

357. *Chairman.*] But your recommendation is, that under this Act all debentures should be registered, just as all mortgages have to be registered; and also that the registrar should affix his signature, or seal, as a voucher?—Yes.

358. Then, with regard to section 54, is it your opinion that copies of resolutions should be sent to each member, instead of its being left optional?—Yes; the words of the clause are: "Where no Articles of Association have been registered, a copy of any special resolution shall be forwarded in print to any member requesting the same."

359. You would require that copies should be

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sent in the same way, as in the previous case you recommend that copies of Articles of Association, under Clause 19, should be sent?—Precisely. Now I have made some suggestion with regard to the registration of securities by the registrar affixing his seal. Another duty, which I think might be thrown upon that officer, arises in connection with Section 56, as to the inspection of accounts. I think there ought to be a power to inspect; not that the registrar should be called upon to inspect the accounts of every company, but that he might exercise his discretion from time to time in calling upon a company to show their vouchers, so as to give him an opportunity of ascertaining the accuracy of the accounts of a concern. The Board of Trade, under this clause, have power to appoint an inspector to examine into the affairs of a company. The inspectors are appointed under that Clause 57 by the Board of Trade; and, by Clause 58, inspection is to be made a matter of evidence, and the books of the company are to be produced before the inspector. That is an inspection, I think, which might very well be undertaken by the Registrar of Joint Stock Companies.

360. In point of fact, you would take the present optional duty, now given to the Board of Trade, away from the Board of Trade, and give it to the Registrar of Joint Stock Companies?—No, I am misconceived, I think; I would still allow of its being done upon application to the Board of Trade, but I think that the inspection should take place under the Registrar of Joint Stock Companies, instead of its being an inspection only by parties appointed to inspect. There might be some collusion, and the object of it would be to prevent that collusion.

361. Then Section 61 further deals with this subject, does it not?—That section is to this effect: "A copy of the report of any inspectors appointed under this Act, authenticated by the seal of the company into whose affairs they have made inspection, shall be admissible in any legal proceeding as evidence of the opinion of the inspectors;" now, the seal of company might be withheld by the directors if the report of the inspector were adverse, as it probably might be, but there is no authenticity given, unless by the seal of the company, and the directors might be interested in such a way as to induce them to withhold the seal. I think, that as the object is to give authenticity to the report of the directors, the authenticity might be derived from the seal of the Registrar of Joint Stock Companies.

362. In point of fact, you would substitute the seal of the registrar for the seal of the companies?—Yes.

363. Then clause 67 is as to evidence of proceedings at meetings, is it not?—It is this: "Every company under this Act shall cause minutes of all resolutions and proceedings of general meetings of the company, and of the directors or managers of the company, in cases where there are directors or managers, to be duly entered in books." Now, I suppose that it would scarcely do to interfere with the entering of the minutes of the Board of directors as to the time within which they should make that entry; but it might be worth consideration as to whether a time should not be prescribed within which an entry should be required to be made of what passed at a general meeting; at present, there is no such requirement. It may be, that after a general meeting, the minutes are not entered for some length of time, and that might be an inconvenient state of things.

364. You think there ought to be some limitation of time and that some penalty ought to attach to that limit being exceeded?—I think so.

365. Now, will you proceed to Part 4, which is a very important part as to winding up?—With regard to Section 74, "The term 'contributory'" (it says) "shall mean every person liable to contribute to the assets of a company under this Act, in the event of the same being wound up. It shall also, in all proceedings for determining the persons who are to be deemed contributories, and in all proceedings prior to the final determination of such persons, include any person alleged to be a contributory."

366. A case might arise where a member had fully paid up his shares, and is not a contributory, but desires to have the company wound up, in order to get a portion of the surplus; would you extend that clause so as to apply to any member not being a contributory?—That is precisely the point which arises in connection with this clause. The word "contributory" has been held in a Court of Equity (I think in the Master of the Rolls' Court), to apply to a person from whom a contribution, in the shape of assets, is to be paid to the official liquidator. Now, there are many concerns in which all the shares are paid up. In such a case as that, there is no liability on the part of the members to contribute to the assets, they are absolutely free from all expense, and from all contribution whatever, and they, therefore, cannot come, strictly speaking, under the term "contributories." The Master of the Rolls has held that such a person having fully paid up his shares, does not come within the meaning of the word "contributory." You must be fully aware that there are cases in which concerns have been going on in a very prosperous manner for a term of years, and which it may yet be desirable to wind up in the same way as in the case of a private partnership. Persons carrying on such a partnership may say, "We have carried on business for many years; we have been making a profit up to a certain time; if we wind up our concern now, we shall wind up without losing any part of our capital, and shall have a small surplus to divide." Now, what occurs in that way in a private partnership, will occur in some of those companies where a concern has been carried on by means of a capital which is fully paid-up; and I think that this clause, therefore, ought to be amended so as to give power to a person to petition to wind up, so that a person may say to the court, "I am a member of this concern, and there is a surplus to be divided, and I wish to put an end to the partnership, and to have a portion of that surplus."

367. Then, is it your opinion that there should be a power to wind up at the discretion of the parties for such a reason?—Yes, I think a member should not be excluded, merely because there is nothing in the shape of assets coming from him in point of law, from having an opportunity of taking part of the surplus.

368. Can you offer any suggestions to the Committee as to any alteration of the Act which would be desirable, in order to facilitate, and shorten, and cheapen, the process of winding up?—I must confess that I am not in a situation to do that; but I would, with your permission, make a suggestion which might be useful to the Committee.

Committee. A great deal of the litigation and expense in winding up matters is in the office of the Chief Clerk to the Judges, and from those intelligent functionaries you might derive a great deal of information in the course of the inquiries of this Committee. Perhaps the Committee will allow me to say that Mr. Church, who is the chief clerk to the Master of the Rolls, and Mr. Buckley, who is chief clerk to Vice-Chancellor Malins, have very extensive experience in these winding up matters; and I am quite sure they could afford the Committee great information upon them.

369. The Committee are much obliged to you for the suggestion. Part 5 is as to the Registration Office; have you any suggestion to make as to the extension of the duties and powers of the registrar?—I think the office of the Registrar of Joint Stock Companies ought not to be a mere clerkship, as at present. He merely receives the Memorandum of Association, and exchanges a Certificate of Incorporation for it.

370. When you say that he is a mere clerk, you of course merely mean that he has no discretionary power?—He has no discretionary power. He is a mere clerk to register the things sent to him. If the things are not sent to him in time, he sends and asks for them; but even if they are not sent in time, he has no power whatever. He can only give certificates when the things are sent to him, and can grant inspection of documents which he has filed, and supply copies of them. I think he ought to have a power, in certain cases, to inspect companies' accounts, if he chose to exercise it, and that he ought to affix his seal, in the way that I mentioned, to securities, mortgages, and debentures.

371. Is there any other duty which you think he ought to perform; ought he, in your opinion, to have any power of compulsory action as to registration, or any power of refusing to register a document?—I do not myself think that he ought to have such a power. I did not catch all that was said by the Registrar of Joint Stock Companies, when he was before this Committee, but I heard that part of his evidence, I think, in which he said that sometimes he exercised that power, when the objects of business were described in an obscure manner. I doubt very much whether he has any such power. The parties, of course, would submit, and make an alteration to suit him, because it would be exceedingly inconvenient to be driven to the Court of Queen's Bench for a mandamus.

372. You think he is exceeding his power, as given him by this Act, in doing so?—I think so. I think it is not competent for the Registrar of Joint Stock Companies to say, "You have not put your memorandum in proper language, or it is obscure."

373. In fact, you think he ought not to be a living Act of Parliament?—I think he ought not to be a living Act of Parliament. I hope that the Committee will understand me as giving my opinion from experience, long before Mr. Curzon became registrar, because his office was established in 1844, under the 7th and 8th Vict. chap. 110; that was an Act for the registering of Joint Stock Companies, which was passed in that year; that was the time when the office was created, and then, strange to say, the registrar had under that statute more power than he has now; because (I do not know whether the Committee are aware of it) the Act of 1844 gave certain privileges arising from provisional registration, which is one step; and then there was afterwards a complete registration, which was a farther step; but there could be no certificate granted by the Registrar of Joint Stock Companies of complete registration until after there had been a deed of settlement for the government of the company sent to the registrar, and it had been gone over by him in detail, clause by clause, for him to be satisfied with it. That was a very great power, and it was only after that course had been adopted that the registrar was justified in granting the certificate of complete registration, which conferred certain limited corporate incidents; it was not absolute incorporation under that Act.

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374. Then would your suggestion go to returning to the greater stringency of the Act of 1844?—Yes, I would return to the Act of 1844 in some things.

375. Is there any other suggestion which strikes you with reference to the amendment of the existing law of 1862?—Nothing else occurs to me at present.

376. Mr. *Lowe.*] You, as I understand, wish to make the registrar not a merely ministerial officer, but give him certain judicial functions?—Yes.

377. Will you state, in a very few words, the exact judicial functions that you would wish him to exercise?—I think, with regard to the borrowing powers, that there should be, as I said before, no debenture issued except it is sealed with the seal of the Registrar of Joint Stock Companies, so that it may be ascertained that it is within the amount of the borrowing powers.

378. Do you consider that a judicial power?—It is a ministerial power.

379. Is there any other power?—No, there is no judicial power, in the strict sense of the term, that I would give to the registrar; I would give him a power to inspect accounts, as I said before, and a power to fix his seal to the mortgages.

380. What is to be the result of his inspecting accounts; what is to happen when he has inspected them?—It is impossible to say what is to happen.

381. Is he to certify the accounts?—If he found anything wrong, he might certify to the Board of Trade that the account is not true; in fact, the Board of Trade at present give an inspection on the application of a certain number of members of a company.

382. And you will have that without this application?—No; I think I would still have the application made, but that inspection ought not to be an inspection merely in the breast of the inspector, but should be under the supervision of the Registrar of Joint Stock Companies.

383. Would you prefer him to inspectors appointed for the purpose?—I do not say that; he might be an inspector employed by or under them, but I think he should be under his supervision.

384. Why?—Because it would give greater authenticity to it, and a greater opportunity of preventing collusion.

385. If he did not inspect it himself, how would there be greater authenticity than if the inspector were appointed by the Board of Trade?—Any inspection by an officer under the supervision of a principal, I apprehend, is a great safeguard.

386. Is it greater than if it were done by the principal himself, the principal being the Board of Trade?—No. Supposing it were done by the

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Board of Trade, I suppose the inspector appointed would be an accountant in the City of London; and I apprehend that sort of employment would be open to objection; he is open to collusion; he might be dealt with. The inspection might be *bonâ fide*, but there would not be this danger if the inspector were subject to the Registrar of Joint Stock Companies.

387. Do you mean that he is to inspect the inspectors, or what?—The Right Honourable Member can put it in his own language.

388. But I want you to put it in your own language; what is the registrar to do; is he to appoint the inspectors?—I have not said so.

389. Then, if the Board of Trade appoints them, what is the registrar to do?—To superintend the inspection. The inspection is to be subject to the supervision of the Registrar of Joint Stock Companies.

390. Is he to be responsible for its correctness?—Yes, I think so.

391. Then he himself becomes an inspector?—It may be so argued.

392. With regard to borrowing powers, I understand you to say that every company ought to state in its Memorandum of Association its borrowing powers, that is, what amount it means to borrow?—What amount it has power to borrow.

393. What do you think would be gained by that?—There would be notice given to every party dealing with the concern, that it had a certain power of borrowing money, just the same way as in any Act of Parliament for a railway company; a particular amount of borrowing power is always specified.

394. Do you approve of borrowing powers in railway companies being limited?—I approve of them.

395. Do you think that companies are prevented from borrowing a great deal more than they have power to borrow by the Act of Parliament?—I do not know how that may be. Statutory provisions, as the Right Honourable Member must be aware, are often evaded. We know one familiar instance in which that provision was largely evaded; but although it may be evaded, it does not take away from the expediency or the utility of having provisions of that kind.

396. Does not the fact of Government legislation lead people to suppose that a railway or other company cannot really exceed a certain amount of indebtedness?—It is intended, of course, to convey that knowledge to the world.

397. Let us say "impression" instead of "knowledge?"—Yes.

398. But if the impression turns out to be false, and the company can borrow, is not the Government helping the company to deceive people by this representation?—I do not think that it would be so, except in one case in twenty; and then it could not be said that the Government is helping to deceive.

399. If the Government attempts to limit that which it really cannot limit, does it not deceive people into supposing that it will be limited?—The Legislature has required that a company formed under this Act of Parliament shall, in its Memorandum of Association, state its capital. Will the Right Honourable Member be kind enough to tell me why a requirement as to the amount of borrowing powers would stand upon a different footing?

400. I think we had better stick to one thing at once. We will take another point. Do you think that if a company had fixed its borrowing powers in the Memorandum of Association, and was in good credit, and wanted to exceed its borrowing powers, means would not be found to enable it to exceed those powers?—I do not think that it could be done. In some cases, of course, where gross frauds are committed, against which you have to guard, it might be done. I do not say that it could not be done, but I believe that it would not be done.

401. Is it not done in railway companies?—I am not familiar enough with railway companies to be able to answer that question.

402. Have you ever heard of things called "Lloyd's Bonds"?—Yes.

403. Do they not practically make the borrowing powers of companies almost unlimited?—That is not a borrowing power; it is nothing more than a certificate of indebtedness; just as if you like to give an I. O. U. for a sum of money; or, if you receive an account from your tradesman of 150 *l.*, and say, "I admit this debt"; it is a certificate of indebtedness, it is not a borrowing.

404. But it is given for money or work advanced in some shape or another, is it not?—It may be for work.

405. Do you think, as a lawyer, that, practically, companies are limited to their borrowing powers?—Those companies are.

406. But is it so with railway companies which have given us the only experience which we have?—I come here to speak of companies under the Act of 1862, with respect to which there is no limitation.

407. Do you think that borrowing powers in the case of other companies do practically limit the power of companies to borrow?—I do, from what I have heard; there may be exceptions, but I believe that the legislative provision is one of efficacy.

408. Supposing that I want to employ an agent or get a gentleman to be a trustee for me, do you think that it would be a good law which forbade me to employ any person as agent or trustee unless he were to be *in solido* for the whole transaction?—I do not think that it would.

409. Is not a director of a company something in the nature of a trustee?—Directors under this Act of Parliament are trustees; I think that a Court of Equity would consider them in that light. There is one case of Evans and Coventry which was under a prior Act of Parliament; that was a case of an insurance company, in which the Master of the Rolls viewing the directors in the light of trustees made them personally liable for the amount of dividends which they had paid out of capital instead of out of profits; but although they may be viewed as trustees, yet a Bill in Equity against trustees is a very expensive thing, and it may be well worth consideration whether the performance of the duties of directors, although they be viewed as trustees, cannot be ensured by some particular mode being prescribed by Statute, and by the imposition of some penalty; it is not every one who will go into a Court of Equity so as to have an expensive inquiry, with the chance of getting a final decision, that, being trustees, they are to pay out of their own pockets.

410. I thought I understood you to say that the directors of a Limited Liability Company must be liable *in solido*, that is, for everything they

they have?—I did not say that. I do not know whether the Right Honourable Member has attended to the previous part of my examination, because it is abundantly apparent that I have said that the directors of a company, under this Act of Parliament, only suffered as shareholders or members, in common with others, and they did certain acts which were in the shape of wrongful acts against the members, and exercised powers which were *ultra vires*, and got the company into certain messes, and that wherever that was done, wherever the constitution of the company was exceeded by acts of the directors, in those cases the directors should be made to pay in person.

411. You do not think that a director should be under unlimited liability?—Certainly not.

412. But only in cases of his exceeding his powers?—Only in such cases.

413. What liability do you mean?—Personal liability.

414. Liability for what?—For the loss sustained. I cannot give a better instance than that of Evans and Coventry. That was a case of payment of dividend out of capital, instead of out of income. The Master of the Rolls said: "That cannot be done. You, as directors, having caused it to be done, shall pay out of your own pockets."

415. Would not those questions be very often very difficult?—The difficulty ought not to be raised as an objection to more honest proceedings.

416. Do you think you would be more likely to get honest directors by that means?—I think so.

417. Do you not think, on the other hand, that you would probably deter people of character and position by such a liability, into which honest men might very easily fall?—I think not; because a man who will act as a director of one of these companies where there is a limit to the borrowing power, has it within his own means, if he is a director, and is doing his duty as a director, to see that that borrowing power is not exceeded.

418. Do you limit it entirely to borrowing powers?—I have not said so; I said that it ought to be put in the Memorandum of Association.

419. I understood it to refer to all sorts of transactions, wherever a director acted *ultra vires*; is not that so?—It is not; perhaps I may be allowed to put it in this way: supposing a company to be formed for fire insurance, and the director to employ the company in matters of marine insurance, that would be a clear departure from the objects of the business as disclosed in the Memorandum of Association, and it would be a wilful departure as to which there could be no mistake, and as to which no director could be said to have any difficulty as to doing it or not doing it.

420. Then you limit your recommendation to wilful departure?—I do.

421. If a man does it ignorantly, he is not to be liable?—I think not; circumstances of ignorance might excuse a person, but a man who wilfully does a thing, deserves to come under penalty.

422. Then you limit your recommendation to wilful misconduct?—Yes.

423. Mr. *W. E. Forster.*] When you were examined on the former occasion, you replied to the honourable Chairman, did you not, that you thought that all companies under this Act should be compelled to pay up half their nominal capital before their first transaction?—Yes, either half, or some other prescribed sum; I think that my observations were directed against a company being created in perpetuity, by means of a certificate of incorporation, and commencing business without having a farthing of capital paid up.

424. Then you do not wish your answer to stand as it did in the previous examination, that it should be half the capital paid up, but that it should be a prescribed sum?—A prescribed sum.

425. Upon what principles would you prescribe it?—In the case of a company incorporated under this Act and advertised as such, with a given amount of capital, say of one million, that is of nominal capital, which is advertised in the prospectus as such, the company goes forth to the world as a concern which is to carry on a particular business, and there is no capital subscribed.

426. But I rather understood your previous answer to be that instead of making it necessary that half the nominal capital should be subscribed before the first transaction, you would make it necessary that a certain amount should be subscribed?—Some amount.

427. What amount?—Bearing a relation to the nominal amount.

428. What relation should it bear?—I find it difficult to say; that is a matter for the Committee rather than myself; I think myself that there ought to be some proportion.

429. Would you have that proportion defined by Act of Parliament, or would you put it in the power of any public officer to define it?—I would put it in a statute; I do not see why it should not be required that before the commencement of business by a company of this sort so much capital should be paid up; say 20 per cent. of it.

430. Then your suggestion would be that it should be a minimum of 20 per cent.?—I think that there ought to be a sum prescribed; I labour under this difficulty, that I have no practical knowledge of the working of these companies.

431. By what machinery would you secure that this money should be paid up?—At present, I think that it might be done by a certificate of the Registrar of Joint Stock Companies; in the case of a railway company, as the Committee are aware, a justice of the peace has to grant a certificate that the capital has been paid up before certain works can be executed, and therefore there would be nothing novel in requiring a certificate of the kind to which I refer, to be issued by the Registrar of Joint Stock Companies.

432. Do you suggest that this condition should be compulsory as a protection to the shareholder or to the creditor?—As a protection to the creditor, but it would be a protection to shareholders also.

433. We will take creditors first; do you not imagine that there would be a danger that the creditors would feel themselves acquitted from the necessity of themselves examining into the position of the people to whom they lend their money, in consequence of the law interfering to protect them?—I think not; there must be some means of inquiry. What is done when you want to ascertain the solvency of a private partnership? You make inquiries in a roundabout way, and you use the channels of information in the best way you can, but in the case of a company there ought to be an easy means given for ascertaining what the true state of the company was in the Registrar of the Joint Stock office; there you

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ought to find the nominal capital; what has been paid up; when the business commenced; what are the borrowing powers prescribed in the Memorandum of Association, and to what extent they have been exercised as shown in the books of the Registrar of Joint Stock Companies, the borrowing powers having been exercised under the seal of the Registrar.

434. *Chairman.*] Your suggestion really goes, I presume, to securing the *bonâ fides* of the whole undertaking?—Clearly.

435. If a thing is good, people will undergo certain restrictions, and if it is bad they will not, and therefore you will get rid of the bad cases?—Exactly.

436. Mr. *W. E. Forster.*] Then I understand your answer to mean, that you think that it is the business of the law to secure that those companies are *bonâ fide*?—I quite agree to the principle of limited liability, but I think that there might be some safeguards, because persons in the country and elsewhere have not the means of ascertaining in the same way as you and I have in London, what the true position of the company is.

437. But referring to the Chairman's question and your answer, do you think that it ought to be a condition of the existence of limited liability companies, that the law should ascertain that they are *bonâ fide* companies?—Yes, in the same way as the law really does, only to a limited extent, by means of the Memorandum of Association at the present moment, because the Memorandum of Association requires that the amount of capital, the number of shares into which the capital is to be divided, and the objects of business of the company shall be specified; the Legislature interferes to that extent, and I propose that its interference should be extended in the way which I mention.

438. Then the object of your suggestion is that the law should undertake to save creditors from the disadvantage of having lent their money to a company which is not *bonâ fide*?—That may be so argued if the honourable Member chooses to put it so, but I do not rest my suggestions upon any such footing.

439. Mr. *Goschen.*] I think, from the answers which you gave to the Right Honourable Member, you did not quite hold to your answer to Question 287?—I have been at the assizes, and I have not yet seen my evidence.

440. The Chairman's question was this: "Then practically, in some shape or other, you would place the directors under a sort of unlimited liability?" To which you answered, "Yes, at present they are very irresponsible"?—I only meant what I have explained to-day. I thought that I had guarded myself very carefully, and if you take the whole tenor of my examination on the last occasion, you will find that it was to show that certain things were done *ultra vires*, by the directors, they having the management of the concern, and not the shareholders, and thereby getting the shareholders into considerable messes; and that I thought the directors ought to be made personally responsible where the objects of business being clear and distinct, they went on other objects of business, and that that would be so serious an injury to the members, and that the consequences would be so serious, that some suggestion, such as I made, would be a proper suggestion, the effect of which would be to make the directors more responsible.

441. I alluded to this answer, because I thought that it would give rather a wrong impression of your meaning. Now with reference to the objects of the associations or companies, do you not think that if the law were amended in the way which you suggest, it would lead to a great deal of litigation, and that if there were losses there would be contentions between shareholders and directors, as to whether certain operations were, or were not, within the scope of the Memorandum of Association?—I do not.

442. You are aware, of course, that the objects of business are stated specifically, and then the words are added, "And the doing of all such things as are incidental or conducive to the attainment of the above objects"?—Take the case of a fire insurance company; it would not be conducive to the attainment of the object of a fire insurance company if the directors were to embark in marine insurance.

443. But cannot you conceive that there are gradations of operations which would make it impossible to say where one object began and where another left off?—I gave an instance the other day of a case where a finance company having power to advance money upon warrants and other *indicia* of mercantile property, entered into a contract to complete a railway, and were paid partly in money and partly in shares. I think that there might be a difficulty in such a case as that.

444. Then if it went wrong, and if the directors were liable in a case like that, the shareholders would only bring an action against them on the chance of its being ruled in their favour?—Shareholders have no power to bring actions against directors in any companies. All that they can do is to petition a Court of Equity, and ask the Court of Equity whether the contract was binding upon the company.

445. But if you put an unlimited responsibility on the directors, it is with a view, is it not, of making them repay to the company the losses incurred by their acting *ultra vires*?—That effect might arise, certainly.

446. Is not that the object of making them responsible?—My object is to inflict some loss, and that if there be any loss, it should not be sustained by the members, but by the directors.

447. That is a most laudable object, but the point is whether it can be done; for instance, take the case of an hotel company. The hotel company thinks that it would be conducive to the success of its hotel if it had a concert-room; the question might fairly be raised by the shareholders whether that was within the objects of business; the directors might contend that it was conducive to the attainment of the object; and you might suggest many cases, might you not, where it would be impossible to define the exact object?—There may be cases of that sort.

448. Do you think that there might not be cases in almost every company of that sort?—I do not indeed.

449. For example, the instance which you yourself gave as to a railway company, would very fairly show the difficulty, would it not? Can you conceive that a director would do such a thing entirely *bonâ fide*?—I think that it ought to be known that these companies can only act within their powers, and that unless there is clear power given to do a particular thing, it cannot be done. As to which I do not see why any

any set of directors should not be competent to judge.

450. Take this case. A Finance Company lends money generally; it makes a bad debt, and an unfinished railway is left on its hands; what would you suggest that they should do in that case, if the object is strictly defined as lending money; may they finish the railway?—I think that any departure like that should be visited upon the directors.

451. What departure would it be?—A departure from the objects of the association; the object of the company is to advance money upon warrants and certain other commercial *indicia*.

452. Say upon railway securities?—With regard to railway shares, of course that would be within their powers, but that is quite a different thing from taking to a contract to execute the works of a railway, and then afterwards to be paid for that contract by money and shares, and thereby to make their shareholders members of the company.

453. I think that you have not quite apprehended my question; it was this: take the case of a Finance Company lending a railway contractor money; the contractor fails, then surely it is the business of the company to do the best they can for their shareholders, is it not, and to get them out of the mess into which they have imprudently got them?—I do not think that they would be justified in taking to a railway contract.

454. If their debts were bad, would you tie the hands of directors up too much as to how they were to realise their securities?—No, certainly not; if it was a security which had been given for an object of business I would not tie them up in any way of that sort. I am speaking of the taking to and transacting business, which is different from that for which the company is established. I cannot give an easier instance than that of a Fire or Life Insurance Company.

455. But you state the two extremes, as to which there is no difficulty?—With regard to the case of money being lent, of course it would be the duty of the company to realise the securities, whatever the nature of the securities might be. If a contractor borrowed money of a Finance Association, and deposited securities, those securities would have to be realised by the company lending the money, and it could not be said that in such a case there had been any infraction of the conditions upon which the company had been established.

456. The point which I wish to arrive at is this: whether you do not see that in those cases there may be numerous instances where it would involve considerable difficulty to decide whether the directors had acted *ultra vires* or not?—There may be cases of that kind.

457. Now, with regard to borrowing powers, to what would you limit the term "borrowing"?—To a company borrowing upon mortgage or upon debentures.

458. Would you include acceptances?—I think not, as to any registration or anything of that sort. I have recommended that the registrar should keep a registry of mortgages and debentures, but not of bills of exchange, because they are partly a circulating medium.

459. Supposing you fix the amount that a company may borrow, would you include acceptances within that power?—I think they must be included.

460. Then the register of the debentures alone would never give you an idea of how far the company was indebted?—Then some other mode ought certainly to be suggested. And there is this further observation which I ought to make, that my suggestion is not intended to apply to banking companies.

461. To what companies is it intended to apply?—To all companies except banking companies.

462. Would it apply to finance companies?—Finance companies, I think, and general companies and insurance companies.

463. And trading companies?—Yes, trading companies.

464. Then would you limit the amount of the acceptances of a trading company?—It is very difficult to answer, but a trading company, as far as the constitution is concerned, I think ought to be limited.

465. Would you include the endorsements on bills?—That would be the same thing as its acceptance.

466. It would incur the same liability; then the endorsement of a bill you would also include?—Of course.

467. Then a trading company would have a maximum, and it would continually be obliged to see that its own acceptances and liabilities on bills did not exceed the limits. A trading company receives a remittance from abroad, say on Rothschilds, of 20,000 *l.*, and it discounts that bill, must it deduct 20,000 *l.* from its borrowing powers because it has incurred that liability?—I cannot answer that question. I confess that, with your practical knowledge, you quite beat me there.

468. But, at all events, you would fix the amount of borrowing altogether, if you could do so?—It may be that you might make a distinction between trading and other companies, and in any enactment upon the subject there is that difficulty; those difficulties are existing with regard to trading companies, and it cannot be denied that it is so.

469. *Chairman.*] I presume you rather mean that where borrowing powers are a constituent element of the capital, you would limit them rather than where they were a necessary consequence of the trade?—Yes; I had present to my mind at the time what the Legislature has already done with regard to railway companies. The Legislature says, "Your capital is so much. Your borrowing powers shall not exceed so much, and your capital shall not be used for the purposes of your works, until it is proved by the certificate of a justice of the peace, that the capital has been paid up."

470. Mr. *Forster.*] Will you not make the same restriction apply to open debts for goods bought by a limited company?—The amount of capital would be limited, and the amount of borrowing would be limited.

471. For instance, there are a number of limited companies for manufacturing purposes; would you prescribe by law the amount of raw material which they were to buy upon credit?—Certainly not; you are putting to me just the same case that the Right Honourable Member for Calne did just now with regard to Lloyd's bonds, which are nothing more than certificates of indebtedness.

472. But the distinction which I did not quite apprehend, is the distinction between money

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borrowed in the way you spoke of, and money borrowed by a company from its creditors when it obtains the money's value without paying for it?—It is impossible to prevent a company from getting into debt, any more than a private partnership or a private individual, and no suggestion which has fallen from me has had any direction in that way.

473. Mr. *Vance.*] Are you aware that the directors of a company sometimes make themselves individually responsible for the purpose of raising money, and afterwards recoup themselves out of the assets of the company; would you advise that any provision should be adopted to prevent that practice?—At present, a Court of Equity would reach anything of that sort. If the directors had recouped themselves out of the funds of the concern in the way the Honourable Member suggests, if I understand his question aright, a Court of Equity would not let it stand.

474. I mean for money advanced for the legitimate purposes of the company?—If the money is advanced for the legitimate purposes of the company and done *bonâ fide*, a Court of Equity, I think, would uphold it; particularly if it were not objected to very quickly by the members of the company.

475. But you would not prohibit it by any enactment?—I think not.

476. Mr. *Goschen.*] Do you not think that a great part of your difficulties with regard to this Act, arise from the various characters of the companies included in it; and from the difference, for instance, between a trade company and a railway company, and a shipping company, and so on?—A railway company might be formed under this Act of Parliament; but only where there is the consent of the parties, the landowners, and so on; but no railway company has ever been formed under this statute.

477. Foreign railway companies are formed under it in London for the purpose of making a railway abroad, are they not?—Yes.

478. Do you not think that a great part of the difficulty arises from dealing with companies which have a similar subject; such as a railway abroad, and a trading company?—That may be so.

479. And do you not think, therefore, that with general provisions, it is very difficult to protect in one case without interfering with the business in the other case?—It may be very difficult; but I think it ought to be done in the case of the class of companies which are non-trading.

480. Do you know whether there has been more abuse in the trading companies than in the non-trading companies?—I cannot answer that question.

481. Do you think that it is possible to settle that the same relative proportion of capital ought to be paid up in the case of a banking company, for instance, as in the case of a company for building a dock?—I do not see any difficulty in it, seeing that the parties themselves have the option of putting any amount of capital they like in the Memorandum of Association, so that the relative proportion would not be too much, or too little for them.

482. Take the case of a dock which is to be built for two millions sterling, and the case of a discount company for two millions sterling; the dock is to be built, say in the course of five years, then you want 400,000 *l.* a year; would you pay up the money faster than it was required for the purpose of building the dock?—No, I would not, certainly, because it would be a waste of money.

483. If you were to invest it there would be danger of the loss upon the investments; they might pay up the whole two million, and put it into consols, and that would entail a loss?—Yes.

484. Then a difficulty of that kind would prevent the suggestion being carried out as to 20 per cent. being the fixed limited amount to be paid up in all cases?—Yes, certainly; but with regard to a dock company, a dock company formed, say under this Act of Parliament, has to get certain work done for a certain amount; it does not follow as a matter of course that the capital should be required for some time, but you might limit it to 20 per cent.; 20 per cent upon a million of money would be 200,000 *l.*; I do not see any reason why that should not be required to be paid up.

485. You would require so much to be paid up as is wanted at the beginning of the undertaking, but as that varies in different cases, it would be very difficult to have one uniform rule, would it not?—After all, it is an objection to the amount, and not exactly an objection to the principle; 20 per cent. may be obtainable, but we might have any other figure; the object is to secure *bona fides* to the concern.

486. *Chairman.*] That they may not be shares of a farthing, in fact?—That they may not be shares of a farthing. I do not wish to be understood, and I hope I may not be understood, as pledging my evidence to any particular set of figures; I wish to convey merely the general idea which I have as to the direction in which amendments might be made.

487. Mr. *Goschen.*] In point of fact, it comes to this, does it not, that you would like to fix a certain minimum amount, which ought to be paid up immediately, in order to prove the *bona fides*?—That is the best way of putting it; and there should be nothing more, except at the option of the parties.

488. But especially you think the law requires amendment in the participation taken by the seven original subscribers?—Yes.

489. There you think the Act is defective, in fact making the incorporation too easy?—I think so.

490. With regard to the diminution of capital, I think you see no objection to there being a diminution of the capital, provided that the notice is given to the creditors?—Yes; it would not act prejudicially to the creditors, because it would not affect contracts previously entered into.

491. But might it not occur that the company had got a certain status and a name in the country, and everywhere, owing to the fact of its having a large capital, and the fact of that capital having been reduced would not be so public as its previous credit?—That is entirely for themselves; the company have to consider whether it is expedient to diminish their capital, and to diminish the nominal amount of their shares, looking in the face the fact that by so diminishing their capital they might injure their credit; that would be their own act; it only gives them power to do it.

492. But supposing their capital was reduced, might they not get credit upon the basis of the large capital, the public not being so well aware of the reduction?—The principle is already recognised

nised in this statute, because it allows even a banking company which was formed with unlimited liability before this Act to register under the Act, and become a limited company. All commercial men probably say that that alteration would seriously damage the position of the company with the world; but the law permits it, and I can imagine cases where it would be very desirable to change the liability, and to limit it, notwithstanding the possible and even probable amount of injury which might arise to its credit.

493. I am not referring to its own credit, but suggesting that it might have more credit than it deserves. With regard to the amount which ought to be paid up, you said (and I think very properly) "Of course in London, and in any large centre of population, the true status of a concern of that kind can be readily ascertained, but there are a great many persons abroad, and in the remote provinces of this country who subscribe their monies to these concerns, not upon seeing any memorandum, but upon the faith of a prospectus." Might not that same kind of general idea as to the status of a company operate in securing for it after the reduction of the capital more credit than it deserved?—I do not exactly follow the question.

494. You stated, did you not, that it was very difficult for people in the country to ascertain the status of a company?—Yes.

495. Do you think it would be safe when a company has been known to have a large capital, to allow it to reduce it to a small capital with regard to the status which it has acquired everywhere?—The object of the statement in the prospectus is to afford information of the real state of the concern to persons desirous of joining it; whereas, the case which the Right Honourable Member puts is not a case as between the company and the directors, so much as between the company and the creditors.

496. Would you think it a proper distinction to make, to distinguish between the liability of the directors to the public, and the liability of the directors to their shareholders?—I think so. The shareholders have no power; they have their general meeting, it may be once a year; this statute only requires it to be held once a year, though it ought probably to require a general meeting to be held oftener; but the shareholders in these companies have no power over things done by their directors; those things are not submitted to the shareholders for their previous approval, and they can only say after a thing is done at one of those meetings, some months afterwards, "This thing ought not to have been done," unless one of them chooses to file a bill in equity.

497. Then, do you think that the power of the shareholders, as against the directors, is not strong enough at present?—I think not, as respects those two or three different matters. With regard to what I have said, that directors ought to be more responsible than they are now, I say again, in the words I used before, they have in the management of these concerns an opportunity of plunging the shareholders into great confusion and great expense, and of occasioning them great loss; and the directors themselves do not suffer in any greater proportion than the other members of the company, that is in proportion to the number of the shares which they themselves hold as members of the company. The act of misconduct may have been very gross; the borrowing power, supposing there were one, may have been exceeded in a very fraudulent and wilful manner; and yet the directors would not be personally responsible, and would not be punishable. The acts of the shareholders or members themselves might have been perfectly innocent, and yet all those consequences might arise from the fraudulent negligence of the directors.

498. Is not that the case with all paid agents?—No doubt; but with regard to paid agents employed by private individuals, there is more active superintendence and so on; where there are large bodies as members of a company of this sort, they cannot act well. The directors are the trustees and agents of the members for carrying on this particular concern, but there is not, and cannot be, any effective control or check which the members can exercise over the directors.

499. It becomes a question then, now, more or less, of the personal character of the directors, does it not?—It does, very much.

500. And do you think you might strengthen that, by making the directors more responsible for the losses of the company?—My own impression is that in a real *bonâ fide* concern there would be no difficulty in the City in getting responsible and respectable persons as directors to manage the concern, simply because there might be a provision in the statute that if they exceeded, that is fraudulently exceeded, the power, as prescribed in the Memorandum of Association, they should be made personally responsible.

501. Whether it was thought that they were fraudulently responsible or negligently responsible?—I mean a case of fraudulent and wilful misconduct.

502. Are they not responsible now for fraudulent misconduct?—In what way? They are responsible for what? I have already pointed out that under a particular statute, if they issue a prospectus, and call for subscriptions, and make a misrepresentation in that prospectus, with a view of getting subscriptions, then a misdemeanour is committed, and the directors or persons issuing the prospectus are punishable in that way; but the issuing of the prospectus is only one act. I am now referring, and perhaps the Right Honourable Member may himself be alluding at the present moment to a case, in which the objects of business of a company are departed from by the directors to suit some private object of their own, and without the previous consent or knowledge of the members of the company.

503. Then we come back again to this—that the point where the fraud is likely to occur and is to be guarded against, is in departing from the objects disclosed in the Memorandum of Association?—Yes, and I apply the same remark to the borrowing power, which I think ought to be prescribed.

504. Mr. *Lowe.*] As a matter of law, supposing you wished to make the liability of a director unlimited, in a company otherwise limited, would it be competent, or is there any power to do it under this Act?—I think not.

505. Would a fresh clause be required for that purpose?—That would, in fact, bring me just to say what I have said in the preface of my book, as contrasting the position of the *gérants* in the *Société de Commandité*, with that of the directors. The Right Honourable Member is aware that under that form of partnership, the concern is managed

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managed by one or more persons called *gérants* who are liable in their persons and properties, just as they would be in this country.

506. There is no power in this Act to do that?—No.

507. What is the use of the Memorandum of Association?—I do not know. The framers of the statute may answer that question better than myself; but I should be disposed to understand that the Legislature, when they framed it, meant that it should disclose all necessary and proper things to persons or to the world, in order that they might know what they were going to join.

508. All things necessary for what? What is the object of the Memorandum of Association? It is not the constitution of the company, is it; that is left to the Articles of Association?—The vital part of the constitution of the company, is contained in the Memorandum of Association, containing the objects of business and the amount of capital.

509. That is not the constitution of the company, is it?—That is the constitution of the company.

510. It is a question of a word, I mean the constitution of a company to be, how it should be governed, and so on; that is not the case?—I apprehend, in the legal view of it, the constitution of the company would be comprised in the memorandum; but at any rate whatever is comprised in the Memorandum of Association, would form a vital part of the constitution of the company; and the mode of calling meetings, and all that sort of thing, and giving votes, which are the subject matters of the Articles of Association, would be quite subordinate.

511. Is it not the principle and main use of the Memorandum of Association, to have something to incorporate?—Certainly.

512. Then for that purpose, what does it matter what interest those seven persons hold, whether it be a farthing or a thousand pounds?—According to the same argument, it would not be necessary that anything more than a piece of paper should be tendered.

513. But you must identify the concern, I suppose?—The party who produces the paper would be sufficient for that; you might put the words, "So-and-so Brewery Company," that is quite enough, and the person taking it would take it for the purposes of the incorporation.

514. Mr. *Goschen.*] Do you think, generally, the Memorandum of Association and the Articles of Association are kept in the solicitor's office, open to be signed by the people who subscribe for the shares; is that an exception to the rule, or is it the general rule so far as you are aware?—They are kept in the solicitor's office, to be signed, I think, as a general rule.

515. Do you think that people generally take shares on the faith of the prospectus, without seeing, or without having proper access to, the Articles of Association?—I think, practically, in most cases people take shares without signing at all; they sign when they are required to sign, and so on; they see the prospectus advertised, and they write for shares, and do not trouble to go to the office, where the articles happen to be lying for signature; that is in the case of persons applying for shares.

516. And you are of opinion that the greater the publicity that could be given to the Memorandum of Association and the Articles of Association, the better?—I think so.

517. *Chairman.*] Because it would compel them to be consistent?—It would give them the means of being so.

518. Mr. *Goschen.*] The means are given now, but they are not handy enough, I suppose?—If that clause were inserted, that the Memorandum of Association and Articles of Association might be inspected by any person desirous of becoming a member at such and such an hour, there the means of knowledge are afforded. With regard to the case of a man who has once subscribed, and his name is put upon the register, the Statute, at the request of the party, requires that the directors shall send a copy of the Memorandum and Articles of Association. If those words, "at the request," were taken out, and it were compulsory on the part of directors to send a copy to every member, then he has absolute knowledge.

519. No man, I think, becomes a shareholder without signing?—A man cannot become a member without his name being placed on the register of members by the directors; but a man may become a member of the company for purposes in equity without his name being affixed to any document.

520. If he becomes a shareholder without reading the Memorandum of Association, he does a foolish thing, I suppose?—He does as many persons did, I take it, in the year 1866.

521. You think the law should not facilitate his folly?—I think there ought to be certain safeguards.

WILLIAM NEWMARCH, Esq., F.R.S., called in; and Examined.

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522. *Chairman.*] YOU are well acquainted with the business of the City of London, are you not?—I am.

523. You have been with the deputation recently to the Board of Trade, have you not, on the subject of the Companies Act of 1862?—Yes; we were there on Monday.

524. I think that you appear before this Committee as a witness on one particular point in the Act of 1862, in addition to others?—Yes.

525. Will you explain to the Committee the view which you take with regard to that Act as to the reduction of the nominal capital of companies, which you read before the Board of Trade, and which you think would be a practical amendment of the existing law?—I was one of the deputation to the Board of Trade on Monday, to represent to the Government the very serious inconvenience which has arisen from the operation of those clauses of the Act of 1862, which prevent a company from reducing the nominal amount of its capital, and also from reducing the nominal amount of its shares; that is to say, a company may be formed for carrying on some particular business, and according to the notions of the persons who form that company, they may select any sum, suppose for instance 2,000,000 *l.*, in 40,000 shares of 50 *l.* each. The company goes into the operation with perfect *bona fides*, but it is found from experience that only half the nominal amount of capital is required, and that instead of 50 *l.* per share being required to be called up in actual money only 25 *l.* is wanted. There is then an uncalled margin of 25 *l.*, which hangs over the heads

of the persons who are on the register of the company, and looking at the events of the last nine or ten months, the practical result is, that shares in companies of the kind mentioned have become almost entirely unmarketable, and for the very obvious reason that the buyer, while he will be perfectly content to embark in a concern where 25 *l.* is paid up, and where only 5 *l.* or 10 *l.* more can in any way be called up, is exceedingly unwilling to embark in a concern where the uncalled liability is represented by 25 *l.* per share.

526. I suppose that in launching a company it is impossible, however strong the *bonâ fides* may be, to test with mathematical accuracy what the proper amount of capital is until it is discovered by the operations of trade?—That is the strong part of the case; the promoters of the application, which was made to the Government, take that ground and say that the whole intention and policy of the Act of 1862 is to give facilities to persons setting up Limited Liability Companies, and that it is entirely at variance with the spirit of the law to bind a set of persons to an amount of capital, and to a certain denomination of shares which might be very advisable and perfectly *bonâ fide* at the time when they were selected, but which in the course of events are found to be disproportionate to the objects to be carried on.

527. Is it your opinion that the want of this power of reducing the amount of capital without going through all the process of winding up, is not only doing damage to particular properties and particular individuals, but has a tendency to hang up a certain amount of capital in suspense, especially in these somewhat critical times?—I am perfectly convinced of it; I have a perfect knowledge of two cases where the effect of the law, as it now stands, is exceedingly prejudicial; one is the case of a large colonial bank where the shares are of the nominal value of 100 *l.*, and those shares cannot be reduced; that bank has been in successful operation for the last four or five years, but it is utterly impossible for the bank to avail itself of the only resources presented by the law as it stands now; namely, voluntary liquidation, because for a bank to resort to voluntary liquidation would involve the entire destruction of its credit. The bad effect of the present restrictions is in that case most distinct and manifest; the credit of the institution is perfectly good, and is well recognised, but the formidable liability of 70 *l.* or 80 *l.* (I forget which it is) is such as to render the property almost entirely unmarketable; and the same applies to two or three cases with which I am acquainted in consequence of the impossibility of reducing the nominal amount of the capital to some close approximation to the actual amount.

528. Can you give the Committee any notion of the total amount of capital in prominent undertakings of this class to which you think that this power of reducing the liabilities, of which you speak, would be of advantage?—I should think that at this moment there is between 20 and 30 millions of actually paid-up money, which is more or less in a state of suspended animation, in consequence of the unmarketable character of the shares.

529. Then, looking at it with the eye of a financier and of a banker, does it strike you that the operation of this Act is doing a great public damage?—A great public damage and great personal damage, and for no adequate object.

530. Could you state any object which is supposed to be attained?—I am not aware of any object; I believe that those clauses were allowed to stand in the Act of 1862, very much in consequence of an oversight; the case is all the stronger because as the Committee may be aware, the Act permits unlimited companies to convert themselves by 30 days' notice into limited companies, which is about as strong a precedent as could be desired. If a company which, down to the first of May, I will suppose, had been trading upon unlimited liability, everybody being liable, according to the formula, to the last acre and the last shilling, can, by giving 30 days' notice, convert itself into a limited company, *à fortiori*, a company may reasonably be allowed to reduce its nominal capital to whatever may be necessary for the conduct of its business, and to reduce the denomination of its shares in proportion.

531. Mr. *Goschen.*] Is not that almost too strong a measure?—No; in these cases I believe the true doctrine is *caveat emptor*, and when the law undertakes to find discretion and prudence for people, it undertakes to do something which no law ever accomplished, or ever can accomplish.

532. *Chairman.*] Then you think that the state of the law, which prevents a company having twice as much paid-up capital as it requires from reducing that capital by its own acts, interferes very greatly with that doctrine?—It interferes with that liberty which I believe is the only safe rule to be followed; and in the application to the Government on Monday very distinct provision was made for the claims of all persons interested in the protection of such shareholders at the time such reduction takes place.

533. Has any argument been urged against what you and your deputation propose, except as regards the interest of present and future creditors?—The only argument which I have heard so far has been an argument founded upon the necessity of giving notice in some distinct and careful manner of the nominal capital of the company having been altered. There is no objection to any reasonable form of advertisement, or any reasonable form of circular, or anything of that sort.

534. But still the objection confines itself, as I understand you, to the danger to the interests of creditors in the present or in the future?—I believe that the objection is entirely confined to that ground.

535. With regard to future creditors, does not the Act of 1862 itself establish the principle that you need not, or ought not, or at all events do not protect the rights of creditors in the future, because they can protect themselves?—Certainly.

536. With regard to present creditors, will you explain in what way you propose to protect them, provided that the statute were altered in the mode which you suggest?—If the Committee will permit me, I will put in two papers, one of which was drawn up by Messrs. Bircham, Dalrymple, & Drake, who are concerned in procuring the alteration of the law. (*The same was delivered in*, vide *Appendix.*) The second paper is a Bill which was prepared by those gentlemen, and left with the Board of Trade on Monday. The 3rd clause of that Bill provides that "the subdivision or reduction of the nominal amount of an existing share, under the authority of this Act, shall not operate to relieve a member of the company from any liability to which he was subject in respect of that share, before the subdivision or reduction of the nominal amount thereof." So that sup-

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pose the capital of a company to be composed (taking the former example) of 40,000 shares of 50 *l.* each on the first day of June, and to owe 100,000 *l.* to ten people, when the capital was reduced to 1,000,000 *l.*, and the shares were reduced to 25 *l.*, the remedy of those creditors for the 100,000 *l.* would be just as good after the 1st of June as before, until the whole amount of their claim was satisfied.

537. That is the remedy which you consider sufficient to meet that objection as to the injury to present creditors?—Certainly.

538. Then you suggest that, in addition to power being given to reduce the nominal or real capital of a company, power should also be given to divide the shares of a company, that is to say, to make a 50 *l.* share into a 25 *l.* share, for instance?—Yes; that full liberty should be given to a company to reduce the denomination of its shares in any way which may be most convenient.

539. Do you mean not only to reduce the capital from a million to half a million, but to divide that half million into as many constituent parts as may be thought necessary?—Yes; the suggestion to the Committee is, that the smaller the shares be made the larger becomes the basis of the company. The creditor has much better security with 10 men holding 100 *l.* each than with one man holding 1,000 *l.*

540. And it is a more popular institution?—But in point of solidity he has ten strings to his bow instead of one.

541. Then you contend that this overhanging liability is first of all needless in a multitude of instances; and secondly, that it has the effect of rendering the shares of those companies practically unsaleable?—That is so.

542. And likewise, that it makes any claim to be made on those shares more difficult to collect?—Yes.

543. Has it not the effect of deterring investment, and therefore of reducing the constituent body of partners?—It has.

544. Has it in point of fact the effect of compelling really sound and useful undertakings to avail themselves of the capital of persons of less soundness?—Yes.

545. Then, in fact, if that is so, the operation of this restriction or this state of the law is only to destroy or to damage the basis upon which the edifice is constructed?—Yes; those two restrictions appear to me to be something entirely inconsistent with the whole scope and policy of the legislation of 1865. They have been shown, by the experience of the last year or 18 months, to be exceedingly pernicious, and there is no alteration of detail which can be made in the Limited Liability Act which can be more acceptable to the public, or give greater relief to the market; and I respectfully urge upon the Committee that every week's delay in granting the concession which is applied for, involves a large amount of public loss and a large amount of grievance.

546. Then you believe that this is not a question in which only limited liability shareholders of particular companies are interested; but that the commercial public of the City have a distinct interest in this matter being dealt with?—I am very strongly of opinion that that is so.

547. With reference to the other parts of the Act, do you consider that it would be desirable to the public to issue certificates to bearer of shares which are fully paid?—Yes; one can imagine cases, and one has seen cases, I think, in actual practice, where it has been convenient, in order to make the most of the capital employed, that the shares should be really paid up and the responsibility of the shareholders being limited, the moment a share is paid up to the full amount, it ceases to be a matter of any consequence to the public whether it is held by Jones, Smith, or Robinson, or anybody else. It would certainly add very much to the eligibility of shares in Limited Liability Companies, as a security upon which to raise money, and so on, if certificates of those shares could be made transferable to bearer. They would then be an available security in a very ready form, and would have a great many advantages which do not attach to property which can only be transferred by a personal transfer. Of course if a facility of that kind was accorded, the Chancellor of the Exchequer would take care to impose such a duty upon the certificates themselves as to make up for any loss of revenue which he would incur by the shares ceasing to be only negotiable by individual transfer.

548. Do you think it desirable, as has been suggested before this Committee, that the Articles of Association should be circulated either with the prospectus, or at some time or in some form to each shareholder?—Yes, I think it very desirable that the Articles of Association should either be circulated with the prospectus, or if not with the prospectus, that a copy should be sent to every person receiving an allotment of shares.

549. Do you know any case in which the Articles of Association and the prospectus have been so different that the man who takes the shares finds, when he comes to read the Articles, that he is involved in an entirely different business from what he had been led to suppose?—I do not know such a case of my own knowledge, but I know that such cases have come before the courts.

550. Would you think it desirable to circulate a list of the co-partners, that is, of the shareholders, once a year, or oftener?—One of those small alterations of the law, I think, would operate very beneficially. As the Act at present stands, a Limited Liability Company is compelled to keep a proper register of its shareholders, and this register can be inspected, but any person who desires to have a copy of it has to pay 6 *d.* for every hundred words; and I have known cases where it has been of consequence to get a copy of the register of companies of large extent, where as much as 40 *l.* or 50 *l.* has been paid for obtaining a mere list of the names and addresses of the people on the list. In cases where time is of consequence, the preparation of a list of that kind is a matter of a week or 10 days, or probably more, and I think that in the interests of the shareholders themselves, and also in the interest of the public in general, it would be very desirable that such a list should be circulated. Persons who give credit to a Limited Liability Company must take care of themselves, as I said before, but still in the interests of the shareholders, and of the persons who have dealings with the company, I think it would be only fair and reasonable that once a year the company should print, in the form of a convenient pamphlet, a list of the members, with their addresses.

551. In point of fact, as everybody should take care of themselves, you think you should enable them to do so?—Yes, with every reasonable facility.

552. Are

552. Are you aware that railway companies and other companies do that; the South Eastern Railway Company, the London and North Western Railway Company, and the Hudson's Bay Company, for instance?—Yes; there are several such cases, and it is an exceedingly convenient arrangement. I have seen instances of companies elsewhere, not perhaps entirely *bonâ fide*, where the greatest difficulty has been made in allowing a shareholder to obtain a statement of who his co-partners are.

553. Do you think that that would be a useful and practical stipulation?—Yes.

554. Do you think that it would be desirable that the reports of meetings should be circulated among the shareholders?—Yes; that is another point which I would suggest as being of practical consequence. We know that now the shares of Limited Liability Companies are spread all over the country, and it very often happens that though a company may have 1,000 or more shareholders, its meetings are attended by 50 or 30 or some smaller number. It is very desirable that what takes place at those meetings should be made known to persons who cannot attend, for a variety of reasons, such as illness, and so on; and in many companies which are noteable for being well managed, it has been a rule that the shorthand writer's account of the proceedings of each meeting is sent to each shareholder as speedily as may be after the meeting takes place, and very great convenience has been found to result from that practice.

555. Then do you think that the company's sending out those reports is valuable, as I said before, in enabling a man to take care of himself?—Yes; those seem to be rather points of detail, which may be very properly prescribed by a general Act.

556. Would you state whether you have any information to give to the Committee in reference to the question of liquidation, and to the complaints which have been made in the City of the cost, and difficulty, and confusion, which have attended that process?—I have no personal knowledge of the operation of Liquidation Courts; and therefore I can only speak from general impression; but there is a very strong general impression that very considerable changes are required in the mode in which Limited Liability Companies are put in liquidation. There is great expense, and great delay, and a considerable amount of arbitrariness which is exceedingly unsatisfactory to all persons concerned, and the City complains very loudly.

557. Has any particular case (without asking you to give names) come under your knowledge of the excessive cost of some of the operations involved in the action of the liquidators?—I do not know that I could give particular cases. There is a case at this moment pending where a sum of nearly 40,000 *l.* has been very seriously claimed by a liquidator for an amount of work represented only by a very casual attendance during a few months, and by the services of a small number of clerks. What the fate of a claim of that kind may be, I do not know; but it is perfectly true that it has been put forward in due form.

558. Do you think that that is an exceptional case, or rather one of a number?—I should think it is one of a number.

559. Mr. *Lowe.*] Is that under voluntary winding-up?—That is under voluntary winding-up.

560. The person is appointed by the Company themselves, is he?—Yes.

561. And they make their own terms with him as to payment?—It is voluntary winding-up under the supervision of the Court; the liquidator, I believe, being an officer of the Court in some way or other.

562. Mr. *Vance.*] What are the securities which you propose for previous creditors when the nominal amount of capital of a company is diminished?—The security is set out in the third section; that the persons who are shareholders at the time when the reduction takes place shall remain shareholders, and be liable exactly as if no reduction had taken place in respect of all the debts existing at the time.

563. Would you not extend it to a provision, that notice should be given to all creditors of the change in the constitution of the company?—There would be no objection to that by circular, or by advertisement, or anything in reason.

564. Mr. *Finlay.*] You referred to the power which unlimited liability companies have of becoming limited liability companies, but I do not think that you stated whether the assent of the creditors to the change was necessary?—Not at all; there is there a saving clause of the rights of creditors at the time when the transformation of the company takes place.

565. But no public notice is given to them that the change is to be made?—Not the least.

566. Mr. *Goschen.*] With regard to this reduction of share capital, supposing a company had debentures out for six years, what would be the position of debenture holders, if you reduced the nature of their security?—The position of a debenture holder in such a case would be neither better nor worse than if the capital had not been reduced; because if you reduce the capital of a company from 2,000,000 to 1,000,000, for instance, on the 1st of June 1867, and you have debentures running for five years, up to the 1st June 1872, the holder of the debentures would have exactly the same remedy against the persons who were shareholders on 1st January 1867, as if no change had taken place.

567. I am not putting it as an objection, but I wish to draw out the position; the remedy would not be against the same shareholders as he would have his remedy against, if the liability of the company had remained unchanged, because in the one case, he would have the present shareholders as shareholders to the end of his debt, but in the other case he would have to go back to a number of people who were shareholders so many years ago, would he not, or would the company recover for him?—The holder of the debentures would have two remedies: first of all, his remedy against the list as it existed when his debenture fell due, supposing his debenture not to be paid, and if that list (which we will call list A) was not sufficient, he would then have recourse against the former list B.

568. Therefore he would have recourse against the present shareholders for the reduced amount, and then he would have recourse against those individual shareholders who were shareholders six years ago, for the balance?—Practically, he would have exactly the same remedy as he would have had if the alteration had not taken place; there is no guarantee that a man who is a shareholder, 1st June 1867, will remain a shareholder until the debenture falls due; every name may be removed a dozen times over; all that is

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pledged is a certain amount of nominal capital in the hands of certain unknown persons who are liable to constant change; so that he has still his remedy against the same amount of nominal capital.

569. The contract of a debenture holder with the company is, that he will come when his debenture falls due upon a company with, say, 1,000 shareholders of 10 *l.* a piece; those 1,000 shareholders of 10 *l.* a piece, I will assume, have changed after 10 years to 1,000 shareholders of 5 *l.* a piece; he finds then that he has a remedy against the 5,000 *l.* of nominal capital, and that his remedy, as regards the other, is gone; but that he must go back and sue people who were shareholders so many years ago?—That would be so; but on the other hand, if you very much enlarge the basis of a company, or if you give a creditor recourse against 1,000 people instead of 500, you are extending the basis of the company.

570. I mean that the number of shareholders remains identical, but that the capital is reduced by reducing the value of the shares from 10 *l.* to 5 *l.*?—He first exacts the 5 *l.* liability, and if that will not satisfy him, he goes back to the shareholders on the 1st June 1867.

571. In the one case the company would have done it for him, and in the ordinary course, and in the other case he has to look after every shareholder?—I doubt that, I think that the company would have to find the money for him in either case.

572. That is the position of the creditor; now with regard to the position of the shareholders, do you require unanimity for the reduction of the capital?—I think not, it is impossible.

573. Then there are some of the shareholders who may find themselves saddled with a liability for so many years, which they will not be able to get rid of at all; how would you deal with them?—That would be one of the incidents which you must leave the shareholders to settle as well as they can; the probability is, that if a company held a large amount of money upon long debentures, something would have to be done to reduce the term of those debentures, or to reduce the amount of them; that the Legislature might leave to the shareholders themselves.

574. Supposing that there was a large proportion of shareholders against the arrangement, they would say this: "If we do not change the constitution of the company, we can sell our shares and get rid of our liability in a year, but if you reduce the capital we remain with a responsibility which we can never get rid of for the whole time which these debentures have to run"?—Parenthetically I may state that the number of cases where any large amount of money has been raised upon debentures, is exceedingly few.

575. *Chairman.*] Is there within your knowledge any case in which a debenture has been raised for six years, upon which we might argue?—So far as my experience extends, I do not recall any limited liability company which has more than a very small amount raised upon debentures.

576. Mr. *Goschen.*] I am not sure whether you will recall to mind any such case, I think that there are companies (for instance, a foreign railway company) in London, which have raised money partly by shares and partly by debentures; do you think that if there were a liability on the shares, you could reduce it without dealing with the debentures?—The case of a railway is rather beside the mark.

577. However, where there are debenture holders, would not great caution be necessary in dealing with the reduction?—Yes; but that is exactly one of the cases which the law may very safely leave to take care of itself. The shareholders will consider whether they are likely to gain or lose by reducing the value of their shares, or by leaving them alone, and that, I think, with great respect to the Committee, may be safely left to take care of itself.

578. But you do not leave it to take care of itself, if you allow a majority of the shareholders to bind a large minority?—The Act of 1862 prescribes that the majority to pass an ordinary resolution shall be, if I remember right, two-thirds of the shareholders.

579. As regards creditors, you cannot leave the law to take care of itself; the existing debenture holders the law must take care of; their number has not varied, as I think you admit?—I do not see that the security of debenture holders would be imperilled by the reduction of the nominal amount of shares. All that is pledged to the debenture holders is recourse against a certain amount of capital, and the debenture holders will continue to have recourse against the same amount of capital.

580. I think that the contract of a debenture holder is not only against a certain amount of capital, but against a certain amount of capital in a given form on a certain day, and that is not a case of *caveat emptor*, is it?—It is hardly a case of *caveat emptor*, because you are doing something which is *ex post facto*, as regards the contract.

581. Supposing that the company had changed its constitution, and that bills had been drawn upon it from abroad, after the change had been made in the constitution, but before the knowledge had reached the other side, in what position would a bill holder be, as against the company?—I think that the case of a bill holder is not met by the third section of the Bill, which I have read.

582. The 3rd section is this: "The subdivision or reduction of the nominal amount of an existing share, under the authority of this Act, shall not operate to relieve a member of the company from any liability to which he was subject in respect of that share before the subdivision or reduction of the nominal amount thereof." This is not a debt incurred before the division or reduction, but a debt incurred after that reduction, but before the knowledge of the reduction of the capital had come to the knowledge of the drawer of the bill. Take the case of a house which has a branch in the East Indies: that house draws a bill on a banking company in London, without orders; their bill is taken by another bank and presented, and they find that the acceptance is the acceptance of a company with only half the capital; how would you meet that case?—I think that it would be considered to be a liability arising before the alteration in the status of the company.

583. At all events, words might be introduced to cover such a case?—There is not the least objection to that.

584. As regards shares to bearer, I understand you to say that that would be an advantage, generally, in your opinion?—I make that as a suggestion, which may or may not be of consequence. I do not see that any advantage is gained

gained by retaining personal names upon the register, when the quality of the persons' names so retained has become entirely immaterial. The quality of a person's name is only material so long as some call may be made upon him.

585. Are you aware that the present regulations for the transfer of shares impede very much the business between foreign countries and ourselves in shares which are issued in London?—I have no doubt of that; the Continental practice of having certificates payable to bearer is found to be very convenient.

586. Would you extend shares to bearer to cases in which the whole amount has not been paid up; or, would you limit it to those cases where the whole amount has been paid up?—I should be anxious, if I could, to await that period in the existence of a company; at the same time there might be two classes of shares, some being wholly paid up, and some upon which calls still remained to be made; at this moment I am not prepared with any specific suggestion to the Committee as to the mode of working that out; but I am strongly impressed with the general principle of permitting capital to be employed in this country, in any form which is most convenient and most advantageous, because what is found most convenient and most advantageous to the owners of the capital must be most convenient and most advantageous to the community and the general market.

587. Could you state to the Committee the cost of a transfer at the present time?—It is an *ad valorem* duty, if I remember rightly, of 10 *s.* per cent.

588. And therefore, if shares changed hands very rapidly, a considerable amount is paid in that way?—Certainly.

589. Do you think that an arrangement would be satisfactory to companies to compound with the Exchequer for a certain payment in lieu of stamps?—I should think that, if the compensation were fixed at some reasonable amount, there could be no objection to it. I know that an effort was made in Scotland some few years ago, by a friend of mine, who is largely concerned in the management of Scotch railways, to induce the Government to permit debentures to be transferable to bearer, upon condition that a commuted sum was arrived at by investigation for the stamp duty.

590. Do you think it a good arrangement that the present system ought to be retained in order that the public may see who the shareholders are, notwithstanding the full amount has been paid up?—I do not think that the public have any concern in knowing who the individuals are when the whole amount of capital has been paid up; the public are finding out, I may say generally, and they will find out still more, that in dealing with limited companies they must deal with them as with private persons; that is to say, not looking to the amount of uncalled capital, which is quite uncertain; but looking to the company itself, and the way in which its business is carried on.

William Newmarch, Esq., F.R.S.

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[*The Witness delivered in the following paper:*—]

"A Bill to amend the Companies Act, 1862."

(The words in *Italics* are proposed to be inserted in Committee.)

Preamble.

"Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal and Commons in this present Parliament assembled, and by the authority of the same, as follows:—

Further Power to certain Companies to alter Memorandum of Association.

1. In addition to the powers conferred by section 12 of "The Companies Act, 1862," on a company limited by shares, to modify to the extent therein mentioned the conditions contained in its Memorandum of Association, any company limited by shares (incorporated either before or after the passing of this Act) may so far modify the conditions contained in its Memorandum of Association, if authorised to do so by its regulations as originally framed, or as altered by special resolution in manner in the said Act provided, as (1) to divide its capital, or any part thereof, into shares of a less amount than that fixed in the Memorandum of Association, but not of a less amount in any case than *ten pounds*, and may for that purpose subdivide its several existing shares, or any of them, into two or more shares, but so that any share created by such subdivision be not in any case of a less amount than *ten pounds*; or (2) to reduce the nominal amount of its capital to any amount not less than the amount of its capital paid up, and to reduce proportionately the nominal amount of every share of its capital.

Notice to Registrar.

2. Every company that alters the division, or reduces the nominal amount of its capital, under the authority of this Act, shall within fifteen days thereafter give notice of such alteration or reduction to the Registrar of Joint Stock Companies.

Alteration not to relieve Members from Liability.

3. The subdivision or reduction of the nominal amount of an existing share under the authority of this Act, shall not operate to relieve a member of the company from any liability to which he was subject in respect of that share before the subdivision or reduction of the nominal amount thereof.

Construction and Short Title.

4. This Act shall be construed as one Act with "The Companies Act, 1862;" and may be cited as "The Companies Act Amendment Act, 1867."

Tuesday, 26th March 1867.

MEMBERS PRESENT:

Mr. Stephen Cave.
Lord Frederick Cavendish
Mr. Finlay.
Mr. George Grenfell Glyn.
Mr. Graves.
Mr. Kirkman Hodgson.
Mr. Lowe.
Sir Graham Montgomery.
Mr. Solicitor General.
Mr. Vance.
Mr. Watkin.

EDWARD WILLIAM WATKIN, Esq., IN THE CHAIR.

WILLIAM RICHARD DRAKE, Esq., called in; and Examined.

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591. ARE you a member of the firm of Bircham, Dalrymple, Drake, & Company?—I am.

592. Are you professionally very largely acquainted with the formation and working, and also with the dissolution, of companies under the Act of 1862?—I am.

593. I think that you yourself have been concerned for some very important interests in reference to a proposed alteration of the Act of 1862?—Yes; at the request of several influential parties, I waited, with a deputation, upon the President and Vice President of the Board of Trade a few days since, with a view to call their attention to two points upon which it appeared to us desirable that the existing law as regards Joint-stock Companies should be amended.

594. Will you kindly mention in passing, what was the amount of capital represented upon that occasion?—I am afraid I am unable to give you that information at this moment, but it was a very large amount.

595. Will you explain to the Committee the exact nature of the alteration which, under your advice, those interests suggest in the Act of 1862, and the reasons for it, and also the machinery which you think would be adequate for the purpose of effecting what you wish?—In doing so, I may, perhaps, be permitted to refer to some notes which I have made, in order that my evidence may be consecutive on the minutes; and I would preface my statement by saying that, as the Committee are no doubt aware, the Act of 1862 governs nearly all Joint-stock Companies not incorporated by special Act of Parliament or charter, and that it has repealed the provisions of the several Joint-stock Companies Acts of 1856, 1857, and 1858, which, previously to 1862, regulated the greater number of joint-stock undertakings. The Companies Act of 1862 authorises the formation of three descriptions of companies, viz.—1. Companies the liability of whose members is unlimited. 2. Companies in which the liability of the members is limited by "guarantee." 3. Companies in which the liability of the members is limited by "shares."

596. Will you explain the expression, "Company limited by guarantee?"—I was on the point of doing so. The last mentioned of those three classes, in which the liability of the members is limited by shares, is the form in which the great majority of companies have been constituted since the principle of limited liability was sanctioned by Parliament, and in these cases the member's liability is limited to the amount remaining unpaid upon the shares registered in his name. In case of a winding-up, when a member has transferred his shares within a year previous to the commencement of the winding-up, he is liable, in certain events, to contribute towards payment of the debts of the company incurred before he ceased to be a member. With regard to companies in which the liability of the members is limited by guarantee, I am not aware of any company having been formed upon that principle, although I have made several inquiries upon the subject.

597. The Act has been a dead letter in that respect?—I believe so. In the case of companies limited by guarantee, the special security of the creditor is not uncalled capital, but a special fund only to be raised on a winding-up of the company, to which all the members contribute to the limited extent prescribed by the Memorandum of Association. The chief difference between a company so formed, and a company limited by shares, is that, in a guarantee company, neither the capital, nor the number, nor nominal amount of the shares, is stated in the Memorandum of Association; but, in lieu thereof, there is an engagement by each member that, in the event of the company being wound up, he will contribute so much towards the payment of debts. The capital question being thus removed from the Memorandum of Association, and all companies having, under the Act, an authority to alter their Articles of Association, a guarantee company may reduce its capital, as doing so does not trench upon the prohibition against altering the memorandum as regards capital. That, you will see, has a bearing upon the observations which I am about to submit to the Committee in reference to companies limited by shares. A guarantee company may, but need not, have any shares at all (see section 14 of the Act of 1862). Of course a company so constituted would have, practically, such an amount of capital (subscribed or borrowed) paid up as would be necessary to work the company, and then, upon the winding up of the company, the guarantee fund would come into operation, if the assets were insufficient to meet the liabilities.

598. Mr. *Kirkman Hodgson.*] Practically, no company of that kind exists?—I am not aware of

of any. Then, as to the division of shares into shares of a smaller nominal amount than is fixed by the Memorandum of Association, that was one point which the deputation urged upon the President and Vice-President of the Board of Trade, at the interview to which I have referred; and upon that subject I would mention, that the Joint Stock Banking Companies Act of 1857 extended to banking companies the provisions of the Act of 1856, with the important exceptions, that limited liability (which had then been permitted to other companies) was not allowed to banking companies, and that the shares of all such companies were required to be of the nominal value of 100 *l.* at the least. This Act was amended by an Act passed in 1858, which extended the privilege of limited liability to banks, except banks issuing notes, and in effect authorised a banking company established with limited liability to register itself afresh, as a company with limited liability. The minimum amount of bank shares was still retained at 100 *l.* By the Companies Act of 1862 the Acts of 1856, 1857, and 1858 are repealed, and banking as well as other companies may now be formed with shares of any nominal amount whatever. There is now no restriction whatever existing as to the amount at which bank shares should be fixed.

599. *Chairman.*] They might be shares of a farthing, then?—They might be any amount. Under the 12th section of the Act of 1862, a banking or other company, limited by shares, may increase its capital, or consolidate its capital into shares of larger amount than the existing shares; but it is restrained from dividing its shares, or reducing the nominal amount of its capital, inasmuch as, under the 12th section, companies limited by shares can only alter the Memorandum of Association in certain defined particulars, among which, dividing the shares or reducing the capital is not included. The effect of this restriction will be seen from the following example, to which I venture to call the attention of the Committee:—A bank was formed with limited liability, in May 1862, according to the then existing law, with a subscribed capital of 1,000,000 *l.*, in shares of 100 *l.* each, on which 45 *l.* per share has since been paid; and although most desirous of reducing the nominal amount of its shares by dividing the 100 *l.* shares into shares of a smaller denomination, it has been unable to do so, whereas, if the bank had been established in November 1862, the shares might have been fixed at 10 *l.* or less, if desired by its promoters. The prospectus of the bank in question referred specially to the division of the shares; it pointed out that upon the removal of the then existing restriction as regards the nominal amount of bank shares, each 100 *l.* share would be divided into four 25 *l.* shares. Section 12 of the Act of 1862 prevents this bank from availing itself of the repeal of the statutable restriction which was effected by that Act. The bank referred to, sought to obtain from Parliament special power to divide their capital into shares of smaller amount than that provided by the Memorandum of Association, but they have failed in obtaining their object. Lord Redesdale opposed the Bill, upon the ground that the grant of such powers should not be made to individual companies, but that any legislation on the subject should be by a public Bill, applicable to all companies, in case the Legislature should think fit to alter the existing law. I may mention here that there was one case in which parties were allowed to alter the amount of their shares by dividing them, and that is in the case of the Agra and Masterman's Bank (Limited) by an Act called "The Agra and Masterman's Bank (Limited) Act, 1865." It received the Royal Assent on the 19th of June 1865. Lord Redesdale seems, in that case, to have departed from the principle which he laid down, and he allowed the company to divide its shares.

600. Did he allow them to reduce the capital, or merely to divide the total capital into a smaller number of separate shares?—Simply to subdivide the capital into smaller shares. That was all which the bank to which I refer asked. They simply sought to divide each of their 100 *l.* shares into four shares of 25 *l.* each, and not to reduce the nominal amount of their capital. I venture to submit to the Committee that an alteration of the law in this particular (that is, enabling companies to divide their shares into shares of a less nominal amount,) would in no degree affect the rights of creditors; the same amount of uncalled capital would in the aggregate remain, but it would be in all probability distributed over an increased number of shareholders, each liable for a less amount, and therefore more likely to be able to pay. In fact, it would increase the constituency.

601. And it would improve the solvency of the concern by widening the basis?—By widening the basis, and by diminishing the individual liability of each member. Practically, no advantage or security is gained from the uncalled capital upon shares of large nominal amount, say 50 *l.* or 100 *l.* In the great majority of cases additional security would be given to creditors, if a company so constituted were to divide its shares into smaller denominations, for by so doing it would, by making its shares more readily saleable, increase the number of its members, whilst the individual responsibility of each member would be decreased, and the ability of the whole body of members to meet calls, in case of a winding-up, would be unquestionably greater, if the division had taken place. I have no hesitation in saying that, practically, that is a sound proposition.

602. In point of fact, there is no practical reason for pressing any constant divisor in a case of this kind?—I think not. I may mention that a Bill was introduced in the last Session, by the then President of the Board of Trade, for the purpose of amending the Companies Act, 1862, so as to give effect to the alteration in the law now suggested, by enabling a company limited by shares to modify its Memorandum of Association, so as to divide its capital, or any part thereof, into shares of a less amount than that fixed by the Memorandum of Association, but not of a less amount in any case than 10 *l.*, and for that purpose to subdivide its several existing shares, or any of them, into two or more shares, but so that any share created by such subdivision should not be of a less amount in any case than 10 *l.* That Bill was called "The Companies Act (1862) Amendment." It was introduced by Mr. Milner Gibson in the House of Commons, and it passed that House, but it was rejected in the House of Lords, I believe principally on the opposition of a noble lord, who has been a very consistent opponent of the principle of limited liability.

603. But it was not rejected upon its merits,

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you would consider?—I do not venture to suggest that it was not considered on its merits.

604. Mr. *Stephen Cave.*] Was that last year?—It was in 1866. It was called a Bill to amend the Companies Act, 1862. [*Witness handed in the Bill.*] You will observe that there are here some manuscript alterations, the reason of which I will explain to the Committee; I was not aware of the introduction of that Bill into Parliament, until after it had passed the House of Commons; my attention was then called to it, and I had an interview with Mr. Milner Gibson on the subject, and I pointed out to him that though the Bill in itself, according to my views, was extremely good, yet that it did not go far enough, and I asked him to allow it to be amended so as to enable companies to reduce the nominal amount of their capital.

605. *Chairman.*] In point of fact, the Bill simply went to amend the divisor, so that instead of one 100 *l.* share you might have ten 10 *l.* shares or five 20 *l.* shares?—Yes.

606. But it did not go to the whole question of the reduction of capital?—No, it did not. That copy of the Bill is the only one I have, and it has the alterations which I ventured to suggest to Mr. Milner Gibson at the time.

607. Mr. *Stephen Cave.*] Those alterations he did not adopt?—He said, "This Bill is now in the House of Lords; when it comes down from the House of Lords, I shall be happy to consider whether we cannot introduce some clause of that sort." There was no distinct pledge on his part, but the opportunity for further consideration of my application never arose, because the Bill never came down from the House of Lords.

608. *Chairman.*] Then we may take it that the Bill is as it passed the House of Commons, with the alterations which you suggest?—The Bill as printed, passed the House of Commons; that is all which I have to say as to the division of shares into a smaller nominal amount.

609. Will you state your views with regard to the reduction of capital?—With regard to that point, I will call the attention of the Committee to the fact, that the principle of allowing a company to reduce the liability of its members after the original constitution of the company, is recognised by the Acts of 1856, 1858, and 1862, by allowing any Joint Stock Company originally formed with unlimited liability, to register itself as a company with limited liability, upon a resolution being passed by a majority of three-fourths of the members present at a general meeting of the company, requiring the company to be so registered; that principle is recognised by the three Acts.

610. That is to say, the reduction of what is called the safety of future creditors is disposed of?—By allowing a company which is absolutely unlimited to register itself as a limited company, with any amount of capital which they choose to fix. No assent of creditors is necessary to such registration.

611. You mean, no assent of the then existing creditors?—No assent of the then existing creditors; no assent of creditors is necessary to such registration; and even in the case of an unlimited banking company, the only condition imposed is, that 30 days' notice of the intended limitation of liability should be given to the customers of the bank.

612. Are those the words used, "customers of the bank?"—I think those are the words. It is section 3 of the Act to enable Joint Stock Banking Companies to be formed on the principle of limited liability; it is the 21st and 22nd Vict. c. 91; I believe that those are the words of the Act, but I am not quite positive on that point. It is of course provided that the debts and obligations of the company, incurred before limitation of its members' liability, shall not be affected by the registration.

613. But there is no consent required from the creditors, or any majority of the creditors?—None at all.

614. Mr. *Kirkman Hodgson.*] But all creditors have their rights saved?—Yes, to the full extent of their rights, as existing before the limitation of the liability. Many persons object to invest in Joint Stock Companies, however sound or well managed, upon whose shares there is a large amount uncalled; whilst in other companies, on whose shares a small amount is uncalled are proportionately in request. I would illustrate that by taking the instance of a man of small means, having 1,000 *l.* to invest; if he invests his money in shares of a company, the nominal amount of which is 50 *l.*, with, say, 10 *l.* per share called up, he would have to purchase 100 shares, receiving his interest upon 1,000 *l.*, while his uncalled liability upon those shares would amount to 4,000 *l.*; and many a shareholder has been actually ruined by reason of being called upon to make good a liability, which is disproportionate to his investment. If the party had invested his 1,000 *l.* in shares of 20 *l.* each, with 10 *l.* paid up, his uncalled liability would amount only to 1,000 *l.* The experience of last year has strengthened most materially the repugnance entertained by prudent people to invest in shares with a large uncalled liability; and the result has been that very many hundreds of people have parted with their shares at a ruinous sacrifice rather than face that liability; and those shares of course are purchased by more speculative and, generally speaking, less responsible parties, thus lessening the security of the creditor.

615. *Chairman.*] You think, then, that in point of fact experience has shown that the constituency has become less stable, and less reliable from the operation of this overhanging liability?—I am quite satisfied of that.

616. Would you lay it down as a principle that a company, with shares of 100 *l.* each, 10 *l.* being paid up, and 90 *l.* remaining unpaid, would be less sound and less reliable than a company in the same trade, and doing the same sort of business with 90 *l.* paid, and 10 *l.* yet to call up?—Unquestionably; I have no hesitation in saying that.

617. Mr. *Kirkman Hodgson.*] Are you aware that some of the most successful companies in London have a call of 5 *l.* on 100 *l.* shares; but they were established long before limited liability was introduced?—Yes, but I think that as regards companies established since limited liability you will find that all companies which have a large uncalled capital are proportionately less valuable in the market than those that have a fair proportion of capital called up.

618. I refer to insurance companies principally?—Insurance companies were excluded altogether from the Limited Liability Act, and it was not until the Act of 1862, I think, that they were admitted at all. So great has been the objection to a large uncalled capital in several important companies,

ompanies, that they have voluntarily gone into iquidation in order to reconstitute the under-aking with shares of a small nominal amount. By this means the desired end is attained; but by indirect means and much expense, labour and difficulty are occasioned, but still that has been practically done.

619. *Chairman.*] Will you kindly, at this point, tate shortly the sort of delay and expense and difficulty which are involved in that process; is here any company which you may think of at he moment which has had to go through that which we may assume to be an unnecessary difficulty and expense and inconvenience?—If you will allow me to answer that question on a future day I will give some practical answer, but at present I could only give some speculative answer which would be of no practical value. Then I was about to point out that there are some companies which, from their position, *e. g.*, a Joint Stock Bank formed in this country carrying on business abroad under the authority of a foreign government, are unable to avail themselves of this indirect mode of reducing the amount of their capital, and are consequently at a disadvantage as respects those companies who are, from their operations, in a position enabling them to liquidate and reconstitute.

620. Will you explain why they are unable to do so?—They are unable to do so in this way; they are formed as limited liability companies in England, but they are trading under the laws say of Portugal or Brazil, where it is necessary that they should there be constituted as a company. It would be impossible without a reconstruction of the company abroad as well as in England, inasmuch as the foreign constitution is based upon the English constitution.

621. Will you take the case of a shipping company got up in England to trade with Portugal and some of their West Indian possessions?—They would then be under Portugese law.

622. Then of course they could not wind up?—They could not, at any rate, without great difficulty.

623. That is the sort of case to which you refer?—That is the sort of case to which I refer. The Act of 1862 imposes no restriction on a company limited by guarantee, who are enabled to increase, reduce, or divide, its capital as the shareholders think proper, and I venture to submit that there is no practical reason, or objection in principle, why companies limited by shares should not have the same power, provided of course that proper notice should be given, and the rights of creditors saved. It has been suggested that, if Parliamentary sanction should be given to the reduction by companies limited by shares of the nominal amount of their capital, provision should be made not only for securing the rights of the existing creditors, but for giving to parties with whom the companies may be dealing, special notice of the reduction of capital, by affixing to their name after the word "limited" the words "and reduced." To this I apprehended that no valid objection can be raised, provided the period for which such additional words should be added to the title of the company should be limited to a reasonable time, say three months or four months. I mean a reasonable time to give notice to those with whom you are dealing.

624. In point of fact you would ear-mark the transaction for such a period as would satisfy, in ordinary probability, the paying off of all then existing creditors?—That probably would be secured without giving any notice at all. I would first of all protect the rights of creditors distinctly, and then I see no harm, as regards all future dealings of the company, in calling the distinct attention of those with whom they were dealing, that there was something peculiar in their constitution, which might induce those persons to make some inquiry. I think that the introduction of some such words as those suggested might have that effect, and people would be in a position to make an inquiry upon the subject, and the result would be that they would either trust the company, or that they would not do so. The insertion of the words would certainly give more distinct notice to parties with whom you are dealing than any advertisement in the Gazette, or any newspaper.

625. You say that you see no harm in it; do you see any practical good in it?—I do not see any practical good in it. The suggestion was made, and I therefore rather applied myself to see whether there was any objection to it. I do not see any objection to it; but I confess that I do not see any practical advantage in it. I do not think, in fact, that the parties who give credit to companies do investigate, as is supposed, the position of the company; they do not go to the Joint Stock Companies Registration Office, and see what amount of capital is paid up, and examine the list of shareholders, and so on; but they look to the parties who conduct the business of the company, to its general character in the market, and the price of its shares; and I think that that has much more to do with their trusting the company than anything else. One effect of the Limited Liability Law has been, as the Committee are aware, the conversion of undertakings carried on by private individuals into Joint Stock Companies. Now it very often happens that the price at which the business of the private firm and their stock-in-trade, &c. are to be taken over by the new company is left to be decided by arbitration after the company is formed. A man naturally says, "I will not go into a valuation of my property until you have formed your company. I will agree to sell to your company, when it is formed, my stock-in-trade and good will, subject to arbitration." This of course necessitates the fixing of the nominal capital at an amount sufficient to provide for the very often exaggerated views of the private parties as to the value of their business, &c., views which are not adopted by the referees, and hence it often happens that the nominal amount of the capital fixed by the Memorandum of Association is considerably in excess of the capital actually required. I do not know that it is necessary to mention particular cases, but two cases have come under my own notice where that has distinctly happened. The one case is the case of Messrs. Bolckow & Vaughan, the well-known iron-masters; and the other is the case of the Colonial Merchants Company formed for the purchase of the business of Messrs. Cavan, Lubbock, & Company. I believe that in both those cases the capital was very largely in excess of the amount required for the purpose of the business. It was stated the other day at the Board of Trade that the capital in one of those cases was two millions and a half, whereas one million and a half would have been amply sufficient.

626. In point of fact, those are cases where it appears to have been impossible on the launching

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of the company to define what the amount of capital necessary to be raised was, and therefore the promoters fixed it at a higher amount than was practically found necessary; but the valuations have turned out so much less than some of the parties seem to have expected, that that amount of capital is no longer required; is that so?—That is so.

627. You think that is a class of case in which powers to reduce the capital which you say is possessed by companies limited by guarantee should be extended to companies limited by shares?—In my opinion, that should be so.

628. I presume, in your very large experience, nothing has come under your notice within the last two or three years which has in any way led you to doubt the value of the principle embodied in the Act of 1862?—On the contrary, I have every reason to believe that the principle is a most valuable one. I feel confident that if it had not been for the principle of limited liability, we should not at this moment be in telegraphic communication with America. The Atlantic Telegraph Company had exhausted all its capital, and they had no means of raising any further capital without application to Parliament. The moment was auspicious for raising the capital; and if there had not been the means of forming a Limited Liability Company at that moment, I am quite satisfied that at the present moment we should not have telegraphic communication with America.

629. Then, your experience leads you to state to the Committee that, though alterations may be required in the Act, nothing has taken place which impugns the principle?—Nothing at all.

630. Mr. *Vance.*] Has your attention been called to the principle of permitting certificates to bearer to be issued in Limited Liability Companies?—Yes, I have had occasion to consider it.

631. Does it meet your approval?—I think there is no objection whatever to it when the full amount of the capital is paid up, provided some arrangement were then made with the Inland Revenue. It seems to me to be then a question for the Inland Revenue entirely.

632. *Chairman.*] It is a question of stamps, is it not?—Yes, it is a question of stamps.

633. Mr. *Vance.*] Would there not be this difficulty, that you would not know who the constituency was, and who would be entitled to vote for the direction?—There would be no difficulty in that. There are foreign companies at the present moment called *Sociétés Anonymes*, which are formed by shareholders whose names and addresses are not known, but if they wish to attend the general meetings they are bound to deposit their shares a certain number of days before the meeting takes place, and then they have a ticket of admission which notifies the number of votes which they are entitled to record in respect of the shares so deposited. There would be no practical difficulty whatever in the voting power.

634. Then would you propose that a similar plan to that should be adopted, if the principle were permitted?—If the principle were permitted, some plan of that sort would be necessary. I may mention, that having shares to bearer does not of necessity do away with nominative shares. Even in *Sociétés Anonymes*, that power of holding shares as a nominative shareholder is not taken away. There are both classes; for the nominative shares a register is kept.

635. *Chairman.*] In fact, there are both nominative shares, and shares payable *au porteur*?—Yes.

636. Mr. *Stephen Cave.*] A sort of inscribed stock?—Yes; but whenever the time comes for dividend, the shareholders lodge the coupons attached to their shares.

637. *Chairman.*] In point of fact, there is a class of persons who prefer to inscribe, and there are others who do not?—No doubt.

638. Mr. *Finlay.*] You handed in to the Committee a Bill to amend the Companies Act of 1862, have you not?—That was a Bill which I drew up simply for the purpose of submitting it to the Board of Trade, as incorporating the views of those who attended at the meeting to which I referred. It does not contain some of the restrictions which I have mentioned. It does not contain any provision in reference to the addition to the name of the company; that suggestion was in fact made at the meeting.

639. There is another point I think to which it does not refer. In the 3rd clause, it secures ordinary creditors, but there is no clause that I see which secures the holders of debentures or bonds and mortgages, which are payable at a future distant period?—Except so far as they would be creditors of the company. No doubt there might be an objection on that point; it might be said that this security does not mature for four or five years, and that during the whole of that time you hold the shareholders liable; but I think that might be easily met, by introducing a provision that any debentures that should be then running, should be in point of fact mature, whatever the date originally proposed was, one year after the capital was reduced. I think that might readily be met; but as a matter of fact, there are not, I think, a great number of companies formed in England who issue debentures.

640. But your view is, that the holder of debentures or of mortgages should be entitled to demand payment of his debenture or mortgage before the liability of the existing shareholder ceases?—Certainly; I see no objection whatever to the introduction of a clause to that effect.

641. Are you at all aware what the number of companies is who have issued debentures payable at a distant period?—I cannot give the Committee any information upon that subject beyond this; I may say that probably out of some 30 companies for which I act, I should think there would not be above three who issue debentures; the proportion is very small.

642. Are the sums large in proportion to the amount of the capital?—Very small.

643. You do not think that would form any great difficulty?—No; I think there would not be the slightest difficulty in making a provision that the debentures should mature unless the holders consented to the reduction of the capital.

644. That would also remove the objection of any shareholders that might occur, if you held them liable for a long period after they had sold their shares?—Certainly it would.

645. Mr. *Stephen Cave.*] In the case which you mentioned of Unlimited Companies being formed into Limited Companies, of course the ear-marking did take place?—The ear-marking took place by the insertion of the word "Limited" after their names.

646. As to the liability of shareholders under the

the reduced capital of a company; how long does the liability of shareholders at present last after they have transferred their shares in the Limited Company?—Twelve months.

647. Is the law to that effect?—Yes; but I may mention here that I believe no mode has yet been found out by which a shareholder who has been off the register can be made a contributory; there is a practical difficulty about it. As a matter of practice, you cannot get at them; therefore, if a man has really transferred his shares, and somebody else has been registered before the winding-up, you practically lose your security on the man who has parted with his shares.

648. In the course of the last year, there must have been many instances of shareholders who had transferred their shares, upon whom the creditors would have been glad to make claims if they could?—There were many such instances, and a great deal of litigation has arisen as to the registration of transfers, as to whether a man was bound to register his transfer, &c.

649. But according to the actual law, you imagine that both the transferor and the transferee would be liable?—In theory, but not in practice.

650. Therefore you think that the liability of the shareholders of a reduced company would be worth nothing after they had parted with their shares?—It would remain just as it does at the present moment. I do not propose that their liability, whatever it may be, should be in the least degree touched; but that the existing creditors should have precisely the same rights as they would have before the reduction of the capital.

651. But, according to your idea, that right is worth nothing practically?—The right is, I think, worth nothing; but as against parties who have transferred their shares the same right would exist as exists at present.

652. But supposing that a shareholder who had a share before the capital was reduced, and whom you propose to retain as a shareholder until the debts which then existed were paid off, transferred his share to somebody else, according to your idea his liability really would be gone?—It would be exactly as it is at the present moment.

653. That is to say it would be worth nothing to the creditor?—Practically, it would not be.

654. We must be careful not to lead people to believe that they have a positive guarantee when they have only one on paper?—They have only one under an Act of Parliament; they have no practical security; at least I know of no case in which efforts made to enforce it have succeeded.

655. This is one of those questions which, if we are to legislate upon this point, must be very carefully discussed; can you suggest any plan by which the existing creditors could retain their guarantee which otherwise would be reduced by the reduction of the capital?—Their guarantee would not at all be reduced by the reduction of capital in the way which I have proposed; I leave them on the day on which the capital is reduced precisely in the same position as that in which they are by law now; I do not affect their status one iota; I leave them with all the remedies which they have by the present law, whatever those remedies may be; I do not propose to give greater remedies, but to leave them just where they are; that is to say, supposing the winding-up to take place before the payment of all debts incurred at the time of the reduction of the capital, each shareholder who would be liable as the law now stands would be liable then to be put on the list of contributors in respect of a 50*l.* share instead of a 25*l.* share, supposing such a reduction to take place.

656. Take a company with a capital of a million, which you reduced to half a million on a certain day; of course the guarantee to a creditor would be, *cæteris paribus*, reduced to the amount of one-half?—Of future creditors, not of past creditors.

657. Of all the creditors?—I do not intend that to be so. I think that the operation of the law should be, that you would continue liable unless there was some distinct release from your liability; but, at all events, I do not propose to leave that question, because I distinctly desire to affirm that the shareholders shall continue liable. It is only a question of the winding-up; it is in no other case; if the company is solvent, and can pay its debts, the question does not arise. On a winding-up the liability must remain in respect of those debts which were existing at the time of the limitation of the liability.

658. Take the capital at half a million for the future, instead of a million; unless there was something to protect the creditor, it is evident that his guarantee would be reduced one-half to begin with?—As regards the future it would; but I do not propose that it should be so as regards the past, because the debt would have been incurred on the credit of the company as it existed at the time when the credit was given to it.

659. Then supposing that there were a thousand shareholders, with 10,000 shares, and that those thousand shareholders are liable to the creditors to the amount of their 100*l.* shares,—that is, to the amount of the whole million instead of the amount of half a million—then the whole of those thousand shareholders in the course of about six months transfer their shares to somebody else?—The same thing might have happened under the present law, if the capital had not been reduced.

660. But is there not this difference, that in the one case the creditor has to depend upon a million, and in the other upon half a million?—No; he would have to depend upon precisely what he depended upon before the reduction took place. If you were a creditor for 1,000*l.* at the date at which the capital is reduced, and the shares were 50*l.* shares, which were subsequently reduced to 25*l.*, all the shareholders would be liable for payment of your debt to the extent of 50*l.*

661. I know that it is so on paper and in theory?—It would be as it is now in the case of anybody who has transferred his shares.

662. But supposing that the whole of the people had transferred their shares?—Then the position of the creditor would not be altered from what it is under the present law. If, in point of fact, before the winding-up order takes place, the shareholders have transferred their shares and the transfers have been registered, then I say that there is a practical difficulty in getting a security from those who have transferred their shares, although under the Act of Parliament they are liable for one year.

663. But what is the position of those to whom the shares are transferred, and who are the people practically liable for the debt?—The transferees take the shares subject to the liability of the parties from whom they take the shares. The shares would be transferred subject to all the liabilities of the holders.

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664. But only up to the former amount of the capital? — Only up to the amount of the old capital. It is precisely the same as in the case of an Unlimited Company; under the Act of Parliament, the principle is admitted that a company which is absolutely unlimited may become a Limited Company; up to the date at which it becomes a Limited Company, their unlimited liability exists in respect of debts then existing. It is precisely the same principle. Where the capital is 1,000,000 *l.* and is reduced to 500,000 *l.*, it only has operation as regards future creditors; and so in the case of an Unlimited Company, the liability is unlimited as regards the creditors up to the time at which the company becomes limited, and from that time as regards future creditors it is limited to the amount of the shares.

665. I know it is by law, but how do you get at the shareholders who have transferred their shares?—You are assuming a case where every shareholder has transferred his shares. It must be a very bad concern altogether, if that state of things were to happen, and no reduction of capital or anything else would help a company in such a state. It would be in such a state that it would have to be wound up.

666. I put that, of course, as an extreme case in order to test the point?—They would be liable as they are at the present moment; if they are liable under the present law they would continue liable.

667. You stated, with regard to the difficulty which you would have in making them contribute, and you said that the creditors must try and make them contribute?—The difficulties are, that you must first exhaust all the existing contributories, and then you have to go to the former ones.

668. That is the difficulty; having exhausted the new shareholders, provided some debts are still left unpaid, then you send the creditors back to the old shareholders, who of course are liable for the difference of the shares, but you cannot get at them?—That is a difficulty which exists at the present time; the suggestion which I am making does not increase that difficulty.

669. Except in one case, you have the whole million running on, and in the other case you have the million turned into half a million?—No; that is perfectly immaterial, because the liability of the shareholder, to the extent of the old capital, exists, as regards debts then existing; creditors do not let their debts run on so long with companies. There is generally a short reckoning with them.

670. Do you think that the ear-marking of a company would be of no use at all in the case of a reduction of capital?—It would be a more distinct notice than would otherwise be given. I am not prepared to say that there would be no use in it; but I do not attach much importance to it. On the other hand, I do not see any objection to it, provided it is limited to a reasonable time.

671. I presume that in many cases creditors do not take the trouble to look into the circumstances of companies; and they would not take the trouble to ask whether the capital of a company had been reduced, or not, unless it was forced upon their notice?—I do not think that they would. Practically, people who trust companies do not, as I before mentioned, go to the office and see what is paid up, and what is not paid up; but they look to the parties conducting the business, to the general credit which the company has in the City, and very much to the price of the shares.

672. The same reason which would apply to the name "Limited" being given to a company, would of course apply to the name "Reduced"?—Perhaps so.

673. Do you think that it is of any advantage to have the word "Limited" attached to the name of a company?—It was thought in the first instance to be an enormous disadvantage, but I think that it is neither an advantage nor a disadvantage; people objected very much to have the word "Limited" written after their name, but practically that prejudice has worn off.

674. Do you imagine that there is less disposiposition to trust a Limited Company than an Unlimited Company now?—I think not.

675. With regard to shares being paid up, you know that in the case of the Land Mortgage Debentures Company, the company were not allowed to pay more than half their capital by Act of Parliament?—I was not aware of that. That company was incorporated under an Act of Parliament, so that it does not fall within the limits of the Act which we are now considering.

676. But have you considered the object for which that provision in the Act was made; I mean as a future security?—I have never considered it; I was not aware of the fact.

677. By that Act the company are obliged to pay up a certain amount of their shares (I forget now how much), but they are not allowed to pay more than half, and half is to remain outstanding as a security?—I do not know the operations of that company at all, or how far it would be thought necessary by the Legislature specially to protect their creditors.

678. Do you think that it would be an advantage to have some part of the capital unpaid?—I really do not think that it very much matters; I think that in almost all companies there would be a small amount unpaid. My great objection is to there being a large amount unpaid capital; but it would depend very much upon the operations of the company, and upon the position of the company, and the works it was undertaking.

679. They would have some difficulty in paying the expenses of winding up, would they not, if there were no share capital left unpaid?—If there were no assets, and no share capital, there would be certainly a difficulty, but before it came to that I think that it would have been wound up if there were creditors.

680. And you think generally that a large unpaid capital is injurious?—I have no doubt whatever about it.

681. And that so far from making the company fall into the hands of rich shareholders, it leads to its falling into the hands of those who have nothing to lose?—That, no doubt, is the tendency of it, and that has been very distinctly seen during the last year. Solvent shareholders are doing all that they possibly can to get rid of their shares at any sacrifice rather than have a crushing liability hanging over their heads, and of course the people who buy the shares are people who are more speculative and less responsible.

682. It is not very common for a prospectus to state that only a certain amount of capital will be called up?—That has been very much the case.

683. That of course would be wholly illusory; I mean that they would not be bound by such an article?—

article?—They are not bound by it, if it is simply stated as an indication of probability.

684. And often that has been a cause of deception to ignorant people, has it not?—It depends entirely how the prospectus is worded.

685. Is it not found all over the country that people who hold shares in companies are frequently unable to pay the whole amount of the calls, if all the capital is called up?—Then they have no business to take the shares at all; I have no pity for such people.

686. But such people might be misled by the notice in the prospectus, that only a certain amount of capital is to be called up?—It depends upon the way in which it is put. It is generally put that it is estimated that only such an amount will be required.

687. But still, on the whole, you think that it is better that no portion of the share capital should be left uncalled?—I think that it would be better in certain cases, but there will be exceptions; where, for example, it is a business extending very rapidly, and in which, ultimately, a much larger capital would be required, then it would be worth while to have a large amount of it uncalled; but I would leave it to the shareholders to decide whether it should be a large or a small amount.

688. Within the last few years, I suppose the liability on uncalled capital has frequently been practically unlimited, has it not?—It has.

689. Mr. *Kirkman Hodgson.*] Have you had much to do with companies when they have arrived at the stage of winding-up?—I am happy to say that my experience in that particular is not great.

690. Then you will perhaps hardly be able to answer my question, which is with regard to the general feeling as to the charges upon winding-up?—There is a very strong feeling as to that; the whole system is as expensive, as long, and as involved as it can possibly be, and there ought to be some amendment of the law in that respect. I have no hesitation in expressing my opinion, that the present system of official liquidators is rotten and bad from the commencement. There is the system also of what are called "wreckers"; there are a certain class of people who get hold of a share simply for the purpose of presenting a petition to wind up a company with the intention of being paid off. I am sorry to say that that is a very common thing, and unfortunately the damage done by men of that sort is very great; because, although there may be no ground whatever for the petition, the publication of notice of its presentation damages a company most essentially. I have known companies of that sort, where a really highly respectable company has been seriously damaged in its credit, particularly abroad, by such a notice; and therefore I think that before anybody is entitled to present a petition for winding-up he should be bound to make out a *primâ facie* case before some sufficient tribunal.

691. I believe that abroad the taking of the initiative in any such step with regard to the affairs of the company is confined to shareholders holding a certain considerable amount of shares?—That is so, and that is so here also as to taking the initiative very often.

692. But as a general rule, is it not the case that any person buying five or six shares in a company may take steps for the winding-up of that company?—Yes; and I may mention also that one shareholder having bought a share for the purpose, may file a bill on behalf of himself and all the rest of the shareholders; I know a case where a man bought five shares simply and solely for the purpose of filing a bill on behalf of himself and all the other shareholders.

693. Do you put any great trust in the system of registration in which all the objects of the company are to be detailed?—Very little as regards the public generally; but I think that is very important that the objects of business should be clearly defined as between the shareholders and he directors, so that the directors may not embark in any business which is not prescribed in the Articles of Association.

694. With regard to shareholders, do you think, practically, that those deeds are of much use?—I think that there should be some distinct record somewhere or other as to what the objects of the company are, otherwise if it were not so, and the company had the power of altering its Articles of Association, it might, notwithstanding that a considerable portion of the shareholders objected, change altogether the objects of the company; and therefore I think that it is desirable that those objects should be defined somewhere.

695. Are you aware that in the largest company perhaps that was ever started, and which had the greatest number of shareholders, say 500 or 600, only 23 shareholders took the trouble to go and read the deed which they had all signed?—I can quite believe that. I have seen shareholders flock in by hundreds and sign a deed, when they have never even looked at it.

696. *Chairman.*] Was not that when the shares were at a premium?—Perhaps so; but even now, in companies recently formed, I always make a practice of putting in the prospectus that the Memorandum of Association and the Articles of Association can be inspected at the offices of the company, and it is quite an exception for anybody to come to look at them.

697. Mr. *Kirkman Hodgson.*] If you allowed an issue of certificates to bearer, it must be in all cases where the capital is fully paid up, must it not?—That is my opinion.

698. Otherwise, if the company got into bad odour, or was doing a bad business, the shares would be apparently held by persons who were worth nothing?—Yes, otherwise parties holding the shares would in fact have the power of extinguishing their liability by putting the shares behind the fire.

699. It was not so in all cases; in the case of scrip companies, which existed before the limited liability was created, it was held to be sufficient proof that you were a shareholder, if you paid calls or received dividends?—That is a totally different thing; the scrip certificates are nothing else than receipts. In order to acquire a scrip certificate, you must have made an application for a share, and in that application, you request the parties to allot you so many hares, and to register you in respect of those shares. Therefore, in fact, the liability of the scripholder is not the receipt which he holds, but his agreement under which he takes the shares.

700. I understand you to state that, with regard to shareholders who have transferred their shares, although they remained legally liable for a year, practically there was a difficulty which made it almost impossible to get at those former shareholders?—That has been the result of experience.

701. Mr. *Stephen Cave.*] I think that you stated that in practice the liability of shareholders

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who have transferred their shares does not exist?—Yes, there is considerable difficulty in enforcing it.

702. As soon as a company falls into discredit, is it not often the case that the solvent shareholders transfer their shares either to men who are not so solvent, or in a very bad case indeed, to men of straw?—That is the case no doubt; but there is this safeguard, that they cannot transfer their shares after the petition for the winding-up is presented. Therefore, if a company is in difficulties, in all probability there would be a winding-up petition; but if a shareholder anticipated that the company would end in winding up, he would naturally, as a prudent man, get rid of his shares.

703. But even as regards companies where winding up has not been commenced, there are many, are there not, whose shares are exceedingly low in the market?—No doubt.

704. And the solvent shareholder would be glad to get rid of a possible liability by tranferring his share, would he not?—Particularly so where the liability hanging over him is great. That is really one of my arguments in favour of reducing the liability; I say, that if you reduce the liability you get a better class of constituents.

705. Do you not think that in any cases it would be advisable to leave a power in the hands of directors to prevent the transfer to such men of straw?—That is very common indeed. In almost all the Articles of Association which I have prepared, I have put in a clause making the transfer of shares contingent upon the approval of the directors. Of course, the directors cannot exercise a mere arbitrary power of refusing A. B., because they do not like him; they must give some distinct and substantial ground for their rejection. I had a case in point the other day, where a man tendered some shares for registration; he was described as being of such a house, and in such and such a street; but upon referring to the Directory the secretary could not find him at all, and applied to the party who left the transfer, to know who the man was, and what his means were. The party refused to give any satisfactory information upon the subject, and they subsequently applied to the Lord Chief Justice of England in chambers to compel the company to register the transfer, but he refused to give them any remedy whatever. He said that it was their duty to satisfy the directors that the man was a responsible man, and that he had ability to meet the liability which he had taken upon himself.

706. *Chairman.*] Was that in consequence of there being something in the Articles of Association giving the directors a power of that kind?—Quite so.

707. Lord *Frederick Cavendish.*] Might it not be advisable to make such an amendment in the law as to place such powers in the hands of directors?—I see no possible objection to it.

708. Have you turned your attention to the alteration of the law with respect to the allotment of shares?—Not specially, but I have some acquaintance with the practice.

709. Is it not the case that in certain cases very great evils have arisen from directors allotting shares for the purposes of stock-jobbing?—I think not; certainly not within my knowledge.

710. You would not require more publicity, or anything of that sort, to remedy any such possible evil?—No; I may state that I believe the directors, as a rule, take the greatest possible pains to ascertain who are the proper persons to allot shares to. Their object is of course to prevent the shares being thrown on the market, and therefore to prevent their being allotted to mere speculators; but it is quite impossible to avoid allotting to speculators, who are usually called "stags."

711. Mr. *Lowe.*] Do you think the Act gives sufficient publicity in all cases, or would you suggest anything more?—I do not think so; I think every publicity is given to those who choose to examine the documents deposited at the registration office.

712. To those who do not it is of no avail?—No.

713. The first step is to get a company incorporated, is it not?—That is the first step.

714. And in order to do that, you must have something to incorporate?—You must have seven shareholders.

715. What is the use of the Memorandum of Association?—To point out the objects for which the undertaking is incorporated, and to show that there are seven shareholders at least who have joined together for the purpose of forming that company.

716. You could not object with such an instrument as that?—No.

717. Do you think any evil results from allowing the holder of a single share to be one of the seven persons upon whose signatures the company is incorporated?—No; the qualification is simply the holding of one share.

718. But do you think any practical evil results from that?—Not in the least; because the company does not in fact go on unless the remainder of the capital is subscribed.

719. The company must have a constitution; that constitution at present is left to the company itself to create, is it not?—Only *inter se.*

720. Do you approve of that arrangement, or would you rather have it done under Act of Parliament?—I think the arrangement is an extremely good one, and it is founded upon the principle which has always been adopted with reference to the formation of Joint Stock Companies. Originally before the Limited Liability Act Companies were constituted by deed, which contained provisions similar, in fact, to those which are contained now in the Articles of Association.

721. Do companies practically adopt the Articles of Association which are put in the schedule to the Act?—They do not; those Articles are very faulty in many respects.

722. Would you think it desirable to amend them, so as to make them more the sort of thing that companies should adopt?—That would be extremely difficult, because different companies require different regulations; the Articles for a company for the purpose of working an iron mine, for instance, would not do for a company formed for the purpose of a bank.

723. You do not think any great good would be done by reviewing that model deed?—I think not.

724. Can you make any suggestion upon it?—I can make no suggestion upon it.

725. Do you think the principle is a right one, of leaving companies to form their own constitution?—I have no doubt of that.

726. Under which head should the regulation as to the transferring of shares come in; the Articles of Association, or in a substantive enactment?—

actment?—I think, in a substantive enactment; it is now very generally adopted in Articles of Association.

727. Would it not be sufficient if it were in the Articles of Association?—Quite sufficient, except that the companies may put it in the Articles of Association, or omit it if they please.

728. Is it not better, where you lead people to depend upon it, to put it in the Act of Parliament?—It may be so.

729. Have you any suggestions to make, from your practical experience, on the earlier part of the Act before we come to the winding-up?—I have scarcely turned my attention to it in that general way; my attention has been principally directed to the two points which I have brought before the Committee.

730. Do you think it desirable to allow companies, if they please, to form themselves upon the principle of having shareholders, some with limited, and some with unlimited liability?—That can be done at the present moment by making a certain amount of capital fully paid up, so that some of the shareholders may have fully paid-up shares, there being no further liability upon those shares; the other part of the capital being partly paid up, with a liability upon those shares.

731. I say nothing as to the policy of it, but supposing a Limited Company wishes to be a company with unlimited liability for some of its partners, is it not desirable that they should have power to do it?—They could not do it.

732. Would there be any objection to giving them the power by Act of Parliament?—They have the power by agreement among themselves. I understand the question to be, whether it is desirable to make it compulsory.

733. As the law at present stands, there is no means of making the directors responsible *in solido*, the shareholders' responsibility being limited; do you think it desirable to make them responsible?—With the consent of the directors, I see no objection to it, but the practical difficulty would be so great, that if you were to enact it to-morrow it would be a dead letter.

734. With regard to winding-up, the official liquidator is the liquidator appointed by the court, is he not?—Either by the court, or by the parties in the case of voluntarily winding-up.

735. To what is it that you trace those great abuses to which you have referred?—There are gentlemen who are more competent to speak upon that subject who will be examined before the Committee, and I would rather not give any opinion upon the subject, for, as I said before, my experience in winding-up, I am happy to say, has been very small.

736. Would you suggest any change in the mode of getting up companies in any way; is there anything that strikes you with regard to that?—No; I think practically the present Act works extremely well, with the exception of the points to which I have called the attention of the Committee.

737. Mr. *Solicitor General.*] Can you give the Committee any further information with regard to the practical difficulty of making the transferor liable?—I cannot; but I have known opinions taken from very competent authorities more than once upon the subject, and they have always felt great difficulty about it. In the first place, it has been held that you must exhaust the existing contributories before you begin to deal with the transferors, but practically that has never been done, because there has always been a sufficient number of solvent shareholders; you must exhaust all the existing contributories before you go anywhere else.

738. Then in every case, so far as you know, has it happened that the existing shareholders have had sufficient assets to pay the debts of the company?—That is so.

739. You have not known any case in which the existing shareholders have not been able to pay, and in which the attempt has been made to put a transferor on the list of contributories?—I have not. It was once attempted, I believe, but it was met by the answer that you must, in the first instance, have exhausted the whole of the existing contributories, and I am not aware of any case in which that exhaustive process has been gone through.

740. In a case in which a company has no assets, or in which the assets cannot be found, there you go against the company by *scire facias*, or by rule?—Yes, no doubt; but that is in the case of companies under another Act of Parliament.

741. I think that that applies not only to existing shareholders, but also to former shareholders at a certain time?—It does not apply to shareholders under the Companies Act, but in the cases of railway companies incorporated under Acts of Parliament I have known it done.

742. But that applies to the transferors as well as to the existing shareholders, under certain circumstances, does it not?—It applies to the transferors under certain circumstances.

743. You mentioned a case, did you not, of an application to a judge to compel the disclosure of a person's circumstances who wished to transfer shares in a certain company?—The application was made by the transferee calling upon the directors to show cause why he should not be put on the register, and the answer made by the directors was, that they were perfectly willing to register him so soon as they should be satisfied that he was a proper person to be put upon the register, and the judge held that the parties had not answered the director's reasonable inquiries upon that subject.

744. Under what Act of Parliament had the judge power to do that?—It is under "The Companies Act, 1862," sect. 35. It was Lord Chief Justice Cockburn who heard the summons to which I have referred.

745. At chambers?—At chambers.

746. Mr. *Graves.*] Has it occurred to you that there may be a large number of creditors objecting to the reduction of the capital?—If they dissent, they have nothing to do but to enforce their claims.

747. What would be your view with regard to shareholders dissenting from the reduction of the capital?—I would suggest that the same protection should be given to the shareholders as is extended to them with reference to the passing of a special resolution which involves the necessity of a special notice being given of the object for which a general meeting is convened. Then the special resolution must be carried by three-fourths of the shareholders present at such meeting, and another subsequent meeting must be held for the purpose of confirming the resolution, so that practically you must get the assent of a very large majority of the shareholders before you could do anything of the sort.

748. Would you fix the majority at three-

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fourths of the shareholders?—Yes; I would adopt a special resolution as defined by the Act of Parliament, viz., three-fourths at the first meeting and a majority at the second meeting.

749. With regard to the position of a creditor, which you have yourself suggested, what would you do as to the dissenting creditors?—A creditor would be entitled to be paid off if he chose to apply for his debt, and to enforce his debt. That would be so without its being made compulsory; he would have a right to enforce his debt.

750. Would that be by process of law, or would you refuse permission to reduce the capital until that dissenting creditor was satisfied?—I would not do that at all; that would be giving a great deal of power into the hands of one creditor, which he might use for improper purposes. I would let him have all the protection and security that he has at the time that the limitation of liability is given.

751. You would then propose to continue that protection and security to him?—Just in the same way as is done under the Act of Parliament at the present moment in the case of a company with unlimited liability becoming a company with limited liability. The Act of Parliament makes a provision for that case, and this would be a precisely analogous case.

THOMAS WEBSTER, Esquire, Q. C., F. R. S., called in; and Examined.

T. Webster, Esq., Q.C., F.R.S.

752. YOU are a Queen's Counsel in large practice, as the Committee are aware, in reference to this class of companies?—I have had a great deal to do with companies in one way or another, incorporated both under special Acts of Parliament and under the Companies Act.

753. I think that I may say that, to some extent, the operation of the Act of 1862 has been a specialty to you?—Yes, for the last 25 years I have advocated the principle; and I believe in principle that it is one of the most successful social and legal reforms which has been introduced.

754. The object of the Committee is not to attack the principle, but to endeavour to ascertain whether any amendment in the law is required; will you kindly state to the Committee any points requiring amendment which, in your experience, have suggested themselves?—I think that in the constitution of a company at its very inception, there is very great mischief from what the registrar does; he has either too much power or too little; he does too much or not enough, and the consequence of that is, that a sort of sanction is frequently given to Memorandums of Association which do not define the objects properly. Then there is also a liberty to companies in filing Articles of Association, which is used for all sorts of purposes, and that, I think, ought not to be permitted. For instance, many Articles of Association prohibit the shares being transferred without the consent of the directors, and also permit the objects to be varied, enlarged, and extended.

755. You mean without cause shown?—Without cause shown. That is a question which is now under the consideration of the Courts as to what may be the effect. Then I have seen many Articles of Association in which there have been officers appointed; I will not say in perpetuity, but for their life, and against the directors; so that promoters of companies, by virtue of the Articles of Association which people are allowed to file, and which, when filed, become part of the constitution of the company, can embarrass the whole operations of the company, and the shareholders come in like ignorant sheep, not informing themselves of the constitution of the company, and the result is, that having, first, the Memorandum of Association, and, secondly, the Articles of Association, which are optional, and, thirdly, very often having a prospectus, which embarrasses the matter still further, the beneficial operation of the Act has been most seriously interfered with, by reason of the extreme uncertainty which has been introduced, and the difficulties of management when a company does not go on quite successfully.

756. Would you attribute those irregularities and difficulties to individual malpractice, or as a direct consequence to the deficiencies of the Act?—Partly to all; I would not say to malpractices, but to the disposition which there is in individual promoters to make their own pet corporation, so to speak. Seeing that the principle of the Act is to create a corporation in perpetuity, I think that the management of it ought, except in special cases, both as regards its constitution and its management, to be one statutable management and constitution, so that every one knows exactly what he is dealing with. I would not say that there should be no deviation from the articles of management, but that the deviation should be the exception.

757. Do you mean that it should be secured in some way that the prospectus and Articles of Association, or whatever the partnership terms may be, should be considered, or that you would in point of fact make a blank constitution or charter for those companies, in which they would merely have to fill in figures and names?—I would not, as regards the prospectus; that is more in the nature of an advertisement, and if the directors or the persons interested held out misrepresentations, then the law provides for that; but then you have the Memorandum of Association which defines the objects, and which ought to be specific; and secondly, you have the Articles of Association, which in table A. in the Act of Parliament are to prevail, if you have not special articles, and those should be adhered to as a rule except under very special circumstances, and under proper authority.

758. Will you kindly pass to the next matter which, in your opinion, requires amendment?—There is another matter with regard to reduction of nominal capital.

759. Do you mean in the cases of companies limited by shares?—In cases of companies limited by shares. I have known several cases like that of which the last witness spoke, where companies did not know precisely the amount of capital required, and the inconvenience resulting from a large excess of unpaid capital is so great that those companies' shares are valueless. I think that the suggestion made, first, for dividing shares into smaller amounts; and secondly, for reducing the actual capital, taking proper security for the payment of all outstanding claims, is the greatest improvement

improvement which could be effected in a commercial point of view.

760. Do you think, in point of fact, that those parties should be allowed to act upon their own experience as regards the reduction of their capital, as they are allowed to act upon their own judgment as regards the increase of it?—I think so, and I think that parties should be interfered with as little as possible, so long as the creditors and the public are protected.

761. Does your experience accord with that of Mr. Drake, the last witness, that the expense and loss of time, and the difficulty of liquidation in order to bring about a reduction of capital, are great and serious?—I have had very little personal experience of liquidation, but from what I have had it would be impossible to describe in too strong language the mischiefs of the present system of liquidation.

762. Will you kindly pass to any other point to which you think the Committee should attend?—I think that these are the principal points which have occurred to me in reference to the Act.

763. You alluded to the Articles of Association; would you as a matter of illustration, state to the Committee any instances of inconsistent or absurd articles in the case of finance or other companies?—One very common article is, the prohibition of the transfer of shares; another is, the appointment of officers for a sort of permanency; and if you have a collection of Articles before you, you will find all sorts of fancy regulations made about objects, meetings, and notices, and so on; in fact, each forming a different constitution.

764. Mr. *Finlay.*] You stated, did you not, that the public did not generally inquire into the constitution of a Joint Stock Company?—I think not; I think that all experience shows, and the last witness stated, that people come in and sign Articles of Association like sheep, without ever reading them, and although you may afford an opportunity of inquiry, by their going to the office, practically they do not make any inquiries upon the subject.

765. In any alteration of the law, would you adopt the principle that it is desirable to protect the public?—No; I think the public must be left to take care of themselves, but I think the managing directors should be responsible. With the permission of the Committee, I should wish to remark on another alteration which I think would be a very important one, namely, that there should be some combination of limited and unlimited liability. I think the best check upon mal-practices would be, that the managers should be liable to an unlimited extent.

766. Would you adopt the principle, that the public, or those who are inclined to take shares, should trust entirely to their own vigilance in getting information for themselves?—Yes, because it is really a commercial question; a company has a certain constitution. The law provides certain rules, and says that certain things are admissible, and that certain other things are inadmissible; but having laid down a sort of blank charter, as the Chairman expressed it, to be filled up, I think the public might be left to take care of themselves, as regards the amount of the shares, the purchase, and the transfer.

767. Mr. *Solicitor General.*] Do you think you would ever, in practice, get managers who were to be liable to an unlimited extent; would it not tend very much to lower the class of directors?—I do not see why it should have that effect, though I confess that is a matter upon which I am not competent to express an opinion. I should wish to state that I consider there is a great delusion with regard to penalties. I believe penalties to be practically useless because they are either too small to be worth suing for, or too large to be enforced, and therefore I think another method must be adopted of compelling directors to do their duty; and the only way which occurs to my mind is, that some system should be adopted similar to that which is in use in the United States of America, where there is a general partnership and a special partnership, in which the general partners have an unlimited liability, and the special partners a limited liability.

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768. Do you not think that it would be very difficult to find directors who would undertake that responsibility?—That is not a matter upon which I feel myself competent to give an opinion. That is a commercial question; but I can conceive a large class of companies, for instance, which were not so much associations for objects of mere trade, as associations which have some philanthropic objects or other objects of that kind. There you might have persons who were willing to contribute small sums to the joint stock capital, of which the whole amount would be small; and there, I think, that you would find no difficulty in getting directors under those conditions.

769. *Chairman.*] You have referred to the law of the United States, are you able to state to the Committee whether the French law of partnership *en commandite* is in operation in Louisiana?—Yes, Louisiana is the State in which that system was first introduced.

770. Is the law which you mentioned as being in operation in the State of New York, similar to that?—It is.

771. Mr. *Stephen Cave.*] In those cases of special partnership, are not the special partners the capitalists?—The special partners are generally the larger number, as I understand it. In the United States, in the companies of New York, the special partners are in one sense the capitalists, because they generally consist of a great number of small capitalists, the general partners being the managers, and also contributing to the capital; but there are cases in which the general managers bring in no capital at all, only bringing in some secret or art, or something of that kind.

772. In those cases the general partner who has the unlimited liability is not generally a man whose means are large, is he?—As a matter of fact I cannot speak to that, but that is a matter which the special partners would take care of before they would appoint the general partners or managers.

773. Have you ever considered whether it would be better to send round the Memorandum of Association and the Articles of Association to every shareholder, as has been proposed?—I think that the Memorandum of Association should be sent to all shareholders, and that it should accompany every document; the Articles of Association might be sent also, but if the Articles were, so to speak, statutable, the parties forming their association, and being formed, that association being placed under the regulation of the Articles, then there would be no necessity, I think, to send the Articles round to the shareholders; but as I assume the Articles to be substantially statutable, I do not think there is any necessity for sending them

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them round; but I consider that the Memorandum of Association should be sent round with the prospectus. If Parliament thought fit to interfere with the prospectus, which is a mere advertisement to the public at the time it is issued of the proposed formation of any company, then I think the Memorandum of Association should also go with this or any other document.

774. We hear of the Memorandum of Association or of the Articles of Association being sometimes altered, after being signed for instance?—I have heard of such cases; the Memorandum of Association is the constitution of the company, and the Articles of Association are the mode of management.

775. The Memorandum of Association has been altered after signature, sometimes, has it not?—I think that that is not unlikely; but then the Memorandum of Association has seven persons' names attached to it, and those persons are really promoters, as they are called, or the getters up of the company. They very seldom have more than a very small interest in it, and if shareholders do not come in the company falls still-born; but if they do come in the shareholders appoint directors. I have known one particular company, which has figured a good deal before the public, in which of the seven directors five were clerks in the office of the attornies to the company.

776. Do the shareholders, when they take shares, generally sign the Memorandum of Association?—Never; I perhaps ought not to say that, but they need not do it. All that is required by the statute is, that seven persons should sign the Memorandum of Association, and, that being filed, the company is incorporated.

777. Then what the shareholders sign is simply a deed of registration?—They do not sign anything in fact. The old practice was to have a deed; the shareholders sign a paper to take shares. They very often are brought in to sign the Articles of Association for the protection of the directors and of the professional men concerned, but there is no necessity for them to sign anything. They apply for shares, and the shares are allotted; and on the payment being made they become shareholders, and are entered on the register which is produced and sealed at the ordinary meetings.

778. Do you consider that there would be any difficulty in protecting present creditors if the capital of companies were allowed to be reduced?—None; of course, before the capital was reduced, there would be a proper ascertainment of the liabilities of the company, and the mortgage deeds or debentures would be provided for, and I think that it might be a not inexpedient thing that there should be some statutable provision for paying off shareholders and paying off debenture holders in cases of that kind, but I can see no difficulty in protecting the creditors.

779. *Chairman.*] You mean in paying them off if they do not consent to the reduction?—If they do not consent; I would prevent any one man from standing out against a beneficial arrangement of that kind. If it were a statutable provision that, upon a resolution being passed, either for winding-up or for reducing the capital of the company, the debenture holder should be paid off at par at proper interest, you might get rid of obnoxious persons who might obstruct an arrangement which would be beneficial.

780. Mr. *Stephen Cave.*] Would you see any difficulty in shareholders transferring their reduced shares to others?—None, because the liability would attach until the claims were all satisfied.

781. A transferee would not take a liability beyond his shares?—The transferee would take the shares with notice, of course, and he would be in precisely the same position as the transferor; that is to say, if a person took a new 50*l.* share for what was 100*l.* before the company had been put in that state for reducing the capital, he would be liable for the 100*l.* in the event of the assets being insufficient to meet the liabilities of the company. I do not see that there would be any difficulty; it would be a statutable enactment that reduced shares transferred should have the original liability attaching to them in certain events.

782. You think that they should not be reduced until all the liability attaching to them at the time of the reduction had been cleared off?—No, they should be reduced at once, but the liability should attach to them. I would not interfere with the operation of doing it.

783. Have you considered how low shares might be reduced; have you any feeling as to the advisability or otherwise of shares of very small amount?—I think that you should leave that entirely to the people who form the company. I do not see why you should not have 1*l.* shares or 1*s.* shares if you like, and why the Act should not be so applied as to be beneficial to the smallest clubs. I see day by day there is a gradual application of it in country places, for the founding of institutions and reading rooms, and recreation grounds, and so on.

784. *Chairman.*] So long as the thing is *bonâ fide*?—So long as the thing is *bonâ fide*, I do not see why one hundred poor men should not be allowed to have a company if they like, with one hundred 1*s.* shares.

785. Mr. *Stephen Cave.*] In such cases as that probably unlimited liability on the part of the directors would be more advantageous?—I think that that is a class of companies which are not trading companies, and which I should designate generally as being of a public nature, and having some public object other than trading. To my mind companies are divided really into those two classes, one in which the objects are public and not trading, and not for gain, and the other in which the objects are more private, and for gain, and I would suggest the unlimited liability of directors as a check upon them, believing that all penalties are practically useless.

786. And I suppose the lower you go in the denomination of the shares, the more ignorant people you are likely to catch?—I think not, I think the great flats are the rich men.

787. Mr. *Kirkman Hodgson.*] I believe in the case of companies *en commandite*, which answers to what are called special partnerships, the constitution provides for a *Conseil de Supervision*, which answers to our Board of Directors; and then there are *gérants*, who answer to the managing directors?—I believe that is the case.

788. Is it not the fact that the *Conseil de Supervision* are not liable to the amount of the value of their property, but that the *gérants* are?—I believe that is so.

789. If that system were introduced here, do you think it would be possible to have directors with limited liability, and managers with unlimited liability?—Hundreds of instances have come within my own knowledge, where some important manufacturing process or something else of the same kind was to be introduced, and people

people would not touch the project, because it was to be an unlimited company; you might in cases of that sort have a general combination, the general public being limited as to liability to the amount of their subscription, but if they interfere in the management you introduce another element. So long as they take no share in the management of the concern they are but sleeping partners, and the analogy between the general partner who is responsible, and the sleeping partner who ought not to have the responsibility, would be carried out by that arrangement.

790. You have spoken strongly against allowing the directors to interfere with the power of transferring shares, but may there not be many instances in which there is a large amount of capital unpaid?—No doubt.

791. Has not a case arisen, which we all saw in the newspapers, in which a gentleman took a very large number of shares in a company and sold the whole of them to another person for 20*l.*, and the company refused to register on the ground that they had a right, by their Articles of Association, to refuse to sanction the purchase of the shares, by which means they kept a solvent shareholder on their books, and prevented an insolvent shareholder from taking his place?—The legality of that is now under the consideration of a court of law, but I have known many instances in which I have advised companies not to register the transfer of shares on that ground, the remedy at present, would be by mandamus, but no person who had transferred his shares to a man of straw would venture to apply for a mandamus under those circumstances. It is a strong measure, but it is one which the directors would be bound to take if they found that the shares were being transferred in that manner.

792. Then you are against giving the directors any power to regulate who shall be their partners?—I think that is contrary to the spirit of the Act; it is essential to a corporation of that kind that the shares shall be transferable, and if you say that you shall not have another partner introduced, it destroys the principle of incorporate partnerships, which differ entirely from private partnerships in this respect, that in private partnerships, in point of law, any change in the constitution of the partnership makes a new partnership, whereas, in point of law, in a corporate company the partners or shareholders may change day by day. The private partnership is a voluntary contract, each partner being the agent of the others, the retirement or change of one dissolving the firm; in the incorporate partnership there is no such agency or dissolution.

793. Do you not think that that position is a little altered by the fact that the capital is not paid up, and that the directors have to look to getting shareholders who can pay claims upon them if necessary, and does not that rather alter the visage of it?—I think not in principle.

794. Mr. *Lowe.*] Do I rightly understand you you to state that you consider it to be an incident to the nature of a corporation that the shares are transmissible?—I understand so; it is the policy of the law in public partnerships.

795. How do you gather that; does the Act say so?—I do not think it does.

796. Is it not left to the Articles of Association to deal with that as they please?—Probably it is, but I think that inexpedient.

797. With regard to the constitution, do I understand you correctly that you would like to repeal so much of the Act as gives the company power to make its own constitution, and to make a statutory constitution for all companies?—Yes; the Act now says that if Articles of Association are not filed, they shall be those in Schedule A.

798. That is merely a contrivance for saving expense, is it not?—Yes.

799. And they can take a part of it, and leave part of it if they choose?—They can.

800. Do you not think that great inconvenience would arise from having statutory enactment?—No, I think not, as a general rule; there might be General Articles of Management, but if there arose any special case which required special articles then it should be in the power of some person or competent authority to approve of those special Articles.

801. But this Act was to replace the power vested in the Queen of granting charters?—That was one of the objects, no doubt, but it introduced a totally different state of things.

802. But the Board of Trade or the Home Office who, of course, had the power of granting the charter had the power of moulding it as they pleased?—Yes.

803. Would it not be a pity to lose that power altogether?—I think that the extreme inconveniences which have arisen from the various Articles of Association which have been introduced are much greater than the inconvenience of restricting persons to one charter, except under special circumstances.

804. The inconvenience is that people are obliged to look at the deed under which they are incorporated?—Which, as a matter of fact, they never do.

805. But they can do it if they like?—They can do it.

806. Do you not think that we are gaining a good deal of experience in this matter by the great number of companies which are in existence?—There is not the least doubt of that.

807. Do you not think that that experience is recorded in those Articles of Association?—No doubt, and it is upon the experience which we have gained upon the sort of Articles which we have seen registered that I mainly found my opinion that it is expedient to have one set of Articles for all companies.

808. Do you not think that it would be wiser to let people go on trying experiments, and taking every person his own way, until we find out what is the best way?—I would suggest that if any special incorporation were proposed to be started, which required special Articles, those should be added on to the statutable Articles.

809. But who should judge that it is a special incorporation; would a steam packet company, for instance, be, in your opinion, a special incorporation?—No.

810. A banking company?—No.

811. A mining company?—No, I think those are all provided for.

812. Then you think you could draw one statutory deed which would apply to all of them?—I think practically so, because there are a great number of companies for different objects which have adopted with great success those statutable articles.

813. But then they have the power of modifying them to meet their own peculiar circumstances?—They have, but in what respect can one bank differ from another bank, or in what

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respect can one mine differ from another mine?

814. That would depend a good deal upon whether the bank was in London or Calcutta, or in Australia, or in California?—Not as regards the rights of the shareholders.

815. But we are speaking as regards the management under the Articles of Association?—I do not understand the Articles of Association to provide for the details of the internal management of a bank; for instance, I understand that the Articles of Association, as appears upon the face of them, to be those general regulations by which the business of the company is to be carried on.

816. Then you think that you could draw a statutory deed which would apply to all sorts of companies, and give satisfaction?—I think that is done in effect in this schedule; I am aware that those Articles of Association are defective in some respects, as regards borrowing powers, for instance, but it being pointed out in what respects those articles are defective, and those defects being remedied, it would be very much better to have one general code.

817. But is it a matter for code. Is it not a matter for each individual incorporation to regulate for itself?—For each incorporation in those respects in which it differs from other incorporations.

818. But you would limit the power of moulding the constitution of the incorporation to matters of form?—What may be called the details of management, such as for instance how the business of a private bank, or how the business of a particular insurance company, should be carried on, and the general trade arrangements, and so forth, I think are matters which should be left to the discretion of the company itself. They are matters which are never provided for except in private partnerships, and they would not properly be the subject of any statutory regulations; they should rest on the responsibility of the managers.

819. Do you think there would be interminable legislation in altering this deed?—I think experience has shown that such great disadvantages, and such considerable loss to the public, have resulted from the innumerable articles of those different companies, that the public would be very great gainers, and the beneficial operation of this Act would be carried out to a much greater extent, by having, as a general rule, one general set of articles of management. The Memorandum of Association founds the constitution of the company, and then you might have, as you have now, articles for the general management of the company; but any special case that arose might be referred to the Registrar, with an appeal to the law officers or some competent tribunal of that kind to say what was required or to be permitted in addition to the standard articles.

820. With regard to the liquidation of companies, what are the abuses which you point to as being so enormous?—As I gather from things which have appeared in print, the appointment of the liquidator is a convenient arrangement between the solicitor and some of the creditors.

821. Are you speaking now of a company wound up under an order of the Court, or under a voluntary decision of the shareholders?—Of both.

822. Let us take first the case of a company wound up under an order of the Court. What is the abuse where a liquidator is appointed by the Court?—The abuse, as I understand it is, that the appointment is made by an arrangement between some of the creditors, the parties who are interested, and that there is no efficient control over the proceedings of the liquidator. As regards the course of business, it is left very much at his option; you have a great number of summonses in one day, and they take a quarter of an hour or half an hour in hearing, and I judge from the result that many of those companies are very much injured in liquidation.

823. Then you think that the liquidator is improperly appointed, and that improper persons are appointed to the office?—I do not mean to say that.

824. I understand from what you have said that your opinion is, that a man who is the tool of the creditor, is put into the office of liquidator, to the injury of the shareholders?—As I understand, it is a sort of contest between two sections of the shareholders as to who is to be appointed, but when he is appointed, he is under no adequate control.

825. How would you propose to remedy the evil as to his appointment?—I cannot say. I believe there is no means of bringing him before the chief clerk, the chief clerk being the person who is interposed between the liquidator and the Court. I can only judge from the results.

826. You have not any practical knowledge of that matter?—No.

827. Now, with regard to voluntary winding-up; the liquidator is, in that case, appointed by the shareholders, is he not?—I believe so; but I am not aware of the precise proceeding in such cases.

828. You do not know anything about it?—No.

829. With regard to the dissolution of companies, does any inconvenience arise from the want of power to dissolve, and get rid of companies which are inoperative?—Yes; I think very great inconvenience arises from that; and it appears to me that it would be well worthy of consideration whether, as regards certain incorporations, the time should not be limited.

830. It is too late to do that in the case of those companies which are already in existence?—Yes.

831. Can you suggest any means by which a corporaton which is manifestly no longer effective, could be got rid of?—I think that if they failed in making their returns, and were not doing business, they should be summoned before some officer, and, upon proper notice, it should be declared that such companies were extinct.

832. *Chairman.*] Is there anything in the Act of 1862 enabling a limited company, under that Act, to fix a period for its own dissolution?—Nothing; it is an incorporation in perpetuity.

833. It must be so, must it?—Yes, it must be so.

834. Is there anything else which you wish to add to the evidence which you have given?—I do not see why it might not be a condition of the Memorandum of Association that there should be a time defined for the duration of the partnership. The object of the company, that is, the particular partnership should be unalterable; it might be wound up and dissolved and start *de novo*, but the speciality of the corporation should be unalterable.

DAVID CHADWICK, Esq., called in; and Examined.

835. *Chairman.*] ARE you a financial agent, with establishments in Westminster, in the City, and in Manchester?—Yes.

836. And I think that you are President of the Manchester Statistical Society and a member of the Council of the one in London?—Yes.

837. Have you had large experience in the investment of sums of money, and in the establishment of companies under the Act of 1862?—Yes.

838. Will you give the Committee some notion of the number of companies which your house has founded since the passing of that Act?—I have been in business as an accountant for 25 years, and during the last seven years I have been mainly occupied as an investing agent. During that time I think that I have aided in the formation of, perhaps, 40 companies, and in the investment in Limited Liability Companies of a sum very nearly approaching forty millions sterling of subscribed capital.

839. I think that you have had very great experience in the formation of those companies, and in the working and management of them?—Yes.

840. And you have also been official liquidator in several instances?—Yes.

841. I think also that you have had to do with the re-organisation of some important institutions, such as the Agra Bank, and others?—Yes, I have.

842. That being so, the Committee are anxious to learn from you any practical suggestions which such an experience will enable you to give as to the alteration of the Act of 1862, with a view to making its operation more advantageous?—I am generally of opinon, notwithstanding the revelations of the crisis of the last year, that the Limited Liability Act of 1862 has, upon the whole, been a very great success, and that its promoters have great occasion to feel satisfied with its results. Of course, such a radical alteration in the law could not be carried out without its being abused in hundreds of instances, and the abuse has unfortunately been more apparent to the eyes of the public recently than the honest and honourable carrying out of the provisions of the Act.

843. Do you think that the bad companies have tainted the good ones?—I believe so, and as I do not think that I am responsibly connected with anything that is bad, or has broken down, or has been shut up by the crisis, I can speak with a good deal of independence upon the subject, and I shall be glad to say, without any preparation, what has occurred to me in my large experience of the points in which some practical alteration and amendment can be made in the Act of 1862.

844. The question which we put to you is, How can the Act of 1862 be amended?—In the first place, as to the formation of companies, and the issuing of the prospectus, and the preparation of Articles of Association, I think there are radical defects in the Act, and that too great facility is afforded to the promoters of companies who wish to palm off something unsound on the public. The public are too easily led, and believe too easily what is represented; and therefore I think that the Registrar of Joint Stock Companies should have similar powers in this case to those which are exercised by Mr. Tidd Pratt with regard to friendly societies.

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845. That is under the Act of 1850, is it not?—I think it is; I see that Mr. Tidd Pratt exercises discretionary jurisdiction to a very large extent; he inquires into the objects of societies and into the practical means of carrying those objects out.

846. In point of fact he is not a mere machine, but to some extent a judge?—Yes, and I think that the functions of the Registrar of Joint Stock Companies should be very materially enlarged, and that he should have power to spot the defects in the Articles of Association.

847. Would you give him a veto over the registration of any company?—I would give him a veto in the case of Articles of Association of companies like those which have sometimes come under my notice, and by which the directors have taken most extraordinary and almost unlimited power to do almost every possible thing, to extend the borrowing powers, to extend the capital, and to do everything without consulting the shareholders.

848. In fact, would you give him a discretion to consider whether the scheme itself was a prudent and proper scheme, or such an amount of discretion as would enable him to stop the registration of a scheme which was evidently fraudulent?—Yes, I would give the Registrar power to prevent great deviations from Schedule A., which in my opinion contains the honest, the prudent, and the model clauses, which ought to be carried out as far as practicable. When he sees a company, for instance, with a capital of 100,000 *l.*, taking power to extend itself to a million, without calling the shareholders together, or to enter into other businesses without the consent of the shareholders, I think he ought to have a veto upon it.

849. Do you mean in the case of transactions which are inconsistent with the prospectus?—Yes, because you will find Articles of Association empowering the directors, after the company is formed, to do things inconsistent with the prospectus and the Memorandum of Association.

850. Then am I right in assuming that one thing which you would wish, would be to see that the purpose of the prospectus, which is the invitation given to the shareholders to come and take capital, and the Memorandum of Association which is the partnership deed, should be consistent?—Yes, but the most important point, about which I wish to speak to the Committee, is in regard to a difficulty which has risen in respect of the uncalled capital of Limited Liability Companies at the present time, the question, in fact, which has been dealt with by Mr. Drake and Mr. Newmarch. In November last I formed one of a deputation to Sir Stafford Northcote, the President of the Board of Trade, and then before I had communicated with Mr. Drake upon the subject, we laid before Sir Stafford certain heads of a proposed Bill for carrying that out. We urged Sir Stafford Northcote to advise the Government to bring in a Bill to enable companies to reduce the uncalled capital; and that companies so authorised should give the fullest possible security to their creditors, bondholders, debenture holders, and mortgagees; and that they should not have power to reduce without the consent

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consent of the whole of them; that is to say, if any one of those persons having claims on the company entered a protest against it, or objected to it, the company should not have power to reduce its uncalled capital. I believe that it might be done in nearly all companies with which I am connected, except in the single case of lessees of mines, where the lessor perhaps might be frightened. I only know the case of lessors of mines, where there might by possibility be an objection that we could not remove.

851. You mean when there was a head-rent or royalty, or payment of that kind, which would depend upon their operations?—Yes.

852. And where it was the interest of the lessor that the operations should be as large as possible?—Yes. We know that there has been recently so large an amount of discredit, or rather of want of confidence in limited companies, that where we are renting mines, the lessors might be inclined to suppose that the responsibility of the company would be lessened.

853. And you see some difficulty in that case?—Only in that case; in every other case the creditors could be paid off at once. There would be no difficulty in regard to bondholders, debenture holders, or mortgagees, and I say that no company ought to be allowed to reduce the amount of its shares if any one of those classes of persons objected.

854. Then you would give power to reduce the amount of capital, and the denomination of shares by simple resolution, instead of making it necessary to go through the process of liquidation, and you would make it a condition that all the creditors, and all the debenture holders, and all who have claims, should consent; or otherwise, that it should not be done?—Yes; I should like to hand in a paper, which contains the heads of a proposed Bill to amend the Act of 1862. (*The same was delivered in*, vide *Appendix*.) I should think that it would be very objectionable indeed to do what the Right Honourable Member suggested, namely, to ear-mark the companies; I see no object whatever in ear-marking the companies; I think that a company would put itself to the inconvenience of undergoing a process of liquidation, which is the present mode of getting out of the difficulty, rather than be ear-marked. Publicity might be given of the intention to reduce, as is suggested in this Memorandum, by notice to the creditors, notice in all the newspapers, and notice to the Registrar of Joint Stock Companies, for one month, three months, or even six months; but I should have a very strong objection to ear-mark the companies, even for a limited time.

855. Will you explain why you think that the affixing to the word "limited" the further word "reduced" would be attended with practical damage or difficulty?—I think that companies would consider that the Government had put a stigma upon what is a simple act of justice.

856. Do you think it might be called an offensive addition to a practical change?—I would not express a stronger opinion upon that.

857. Will you state what you consider to be the important advantages, if any, of giving a power to companies to reduce their capital?—I can very shortly state that, but it would perhaps be better if I were first to state the difficulties; I will give an instance of four large companies with which I have been very intimately connected. I am the auditor of all the four companies; the Ebbw Vale Company with four millions; Bolckow and Vaughan's, with 2½ millions; Palmer's Company with two millions, and the Colonial company with two millions. I took a very active part in the formation of those companies, and am the professional accountant and auditor of each of them. In each of those companies they have too large a subcribed capital, arising from the fact that the companies were compelled to be formed before the valuations were made upon which the price was settled; that is to say, we agreed in all these cases to take a very large proportion of the property by valuation, and in each case the vendors estimated the amount too heavily, and we therefore made too large a provision for surplus capital; so that in each case we could do very well if the nominal capital were reduced to about two-thirds of its amount. In the case of Messrs. Bolckow and Vaughan, which I communicated to Mr. Drake, we had a capital of 2½ millions, and we could very well do with a capital of 1⅔ millions. The instructions by Messrs. Bolckow and Vaughan, the vendors of that property, were in writing, authorising me to sell for 1,800,000 *l.*, "Or such less amount as they may hereafter agree to in writing." By subsequent negotiations they agreed to sell their property by valuation, and it only came to about half the money, so that really the company have a nominal capital of 2½ millions, when 1⅔ millions would be quite sufficient.

858. Will you point out the difficulties in that case which attend your present position?—The holder of shares in those companies finds himself with an uncalled liability much greater than the amount paid, and, in the public estimation, that is a very great defect. People will not, after the late crisis, invest their money in the purchase of shares, even in sound trading companies having so large a margin of capital unpaid.

859. When you say that they will not do so, you apply that remark to the present time only?—I do not believe they will in the future when the crisis has passed by, and I should never recommend my friends to buy shares in a company unless there is really limited liability as well as limited liability in appearance. In fact, I have carried that plan out entirely by my project for the reconstruction of the Agra Bank. I ventured to recommend the whole of the new capital for the Agra Bank to be fully paid up; and 800 new subscribers have come forward, and I believe that we shall suffer no detriment whatever from the fact of the capital in that case being fully paid up. I believe that it will cause the exercise of prudence, and will prevent that kind of reckless and extravagant speculation which an uncalled capital, which is equivalent to a reserve credit, has occasioned in so many companies.

860. Taking the case of Messrs. Bolckow and Vaughan, will you describe the difficulty of winding-up and reconstructing in order to do this very thing?—In the case of Bolckow, Vaughan & Co., who own very large landed estates, the stamp duties alone on the transfer of property would come to nearly 10,000 *l.*, and we should have, of course to undergo the process of liquidation, which we could do in a very friendly manner, no doubt, but it would involve in all probability a loss to the company of 15,000 *l.*, so that we can do at the cost of 15,000 *l.* all that we are now asking Parliament to enable us to do in the most public and manifest manner, but without this great cost.

861. That

861. That is as to the question of expense; would there be any difficulty in reference to the titles of your estates which would be involved in a case of that kind?—None whatever; the titles of the estates would be found in every case to be satisfactory, because they were investigated at the time of the purchase.

862. Would it affect your credit at all?—Not at all; in companies like Bolckow and Vaughan we require little or no credit; we get raw material in the shape of ironstone, and coal, and lime, and turn the ironstone into pig iron and manufactured iron, and we sell it, so that we want no credit in a case of that kind.

863. Then is your own objection to the present state of the law that there is a restriction upon your management of your own affairs, and that you are compelled to go through an expensive process to do a thing which you ought to be able to do without it?—Yes; in this case it would cost us 15,000 *l.*, and considerable trouble and delay; whilst my suggested amendments would amply provide for creditors and everybody else, and we should be enabled to do it at once.

864. And at what cost?—Under this proposed alteration of the law it would not cost us 100 *l.*

865. In fact, in one case it is nominal, and in the other it is an excessive tax?—Yes.

866. Does it strike you that any large amount of capital is being hung up, as it were, in suspense by the overhanging calls of many of those companies?—Undoubtedly.

867. What is your notion of the probable amount of capital which is so held in suspense?—In this case of Bolckow and Vaughan, the shares are 100 *l.* each; a man having 100 shares in that company has paid up 2,500 *l.*; but he has a liability of 7,500 *l.* hanging over him, and if he be a prudent man he will keep that amount at his banker's or in reserve, whilst if he knew that his liability was limited and settled, he would be quite at liberty to invest that amount elsewhere; it is operating now very injuriously upon the capitalists of the country, and especially the prudent and small capitalists.

868. What is the amount of capital which is hung up in this way?—I cannot say, but I should think that within the circle of our own acquaintance and our clients, which extends all over the country, many millions of money are held in reserve on that account.

869. Do you think that a public advantage would be gained, apart from private convenience, if those facilities were given to reduce the capital?—Yes. There are hundreds of capitalists who invest their money through me, who would never invest in any company except under limited liability, and who always keep in reserve an amount sufficient for any probable call, and who never go into financial or other companies, where there are 100 *l.* shares, and a 5 *l.* call; limited liabilty has in my hands been applied to serve capitilists; I have not tried to serve speculative men, but only those who had *bonâ fide* money to invest.

870. Do you agree with Mr. Drake that this over-hanging liability, to use your term, has had the effect of rendering the constituency in Limited Liability Companies less valuable and less solid, and that it has a tendency to bring into companies people of less wealth and less prudence?—I do; I believe that since the recent panic more prudent people have sold out of Limited Liability Companies in consequence of the liability on uncalled capital than since the Act was passed, and that speculative people have come in at the very low prices at which limited liability shares have been purchasable.

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871. Can you state to the Committee anything further which strikes you with regard to the alteration of the law, and your views as to the duties of the Registrar, as to the reduction of the capital, and as to anything further in the clauses of the Act?—I should like to mention three other subjects, namely, audit, liquidation, and share accounts. I most fully approve of Mr. Leeman's Bill, as to the sale of bank shares. I am the auditor of several banks, and I am personally connected with many others; bankers do not like to take a very active part in that Bill; but I am quite sure that the passing of that Bill would be very acceptable to the proprietors of Joint Stock Banks. As to the audit of the accounts of Joint Stock Companies, of course, as a professional auditor, I have many opportunities of seeing the accounts of companies stated, and in many cases, and even in Joint Stock Banks and others, they are sometimes stated in forms which are quite incomprehensible. I think that in any alteration of the law, Joint Stock Companies under limited liability, ought to be compelled to make some near approach to that form of balance sheet which is included under Schedule A., in the Act; and that, in fact, when a company does not choose to adopt the clauses of the Schedule A., which were intended to save them trouble and expense, they should be required by the Registrar to make as near an approach to those regulations and to that form of account as possible.

872. Do you mean that they should take that as a standard?—Yes. I could suggest some alteration in that form of account which would make it unobjectionable.

873. Do you think that a model account should be inserted?—Yes; and I think that all Joint Stock Banks should be required to separate the liabilities on account of cash or deposit accounts and the liabilities on bills payable. We very frequently find the two things mixed up together, so that nobody can understand what amount belongs to each. Then, in reference to liquidation, I think that the system of liquidation has on the whole answered tolerably well, but that it is capable of considerable amendment in regard to the mode of appointing liquidators; at present companies when unable to pay their debts are very much disposed to have their affairs wound up by voluntary liquidators; in that case there is this curious anomaly, that the creditors have usually no voice in the appointment. The chairman of the company generally files the application to the Court, and the shareholders have consequently the appointment of the liquidators. Now that may be, in some cases, a positive injustice to the creditors, and it seems anomalous that creditors under voluntary liquidation should have no adequate voice in the appointment of the liquidators. In the Hindustan, China, and Japan Bank, of which I am a liquidator, the shareholders appoint three persons as liquidators, and the creditors appoint one.

874. How do you mean as it is?—I mean that voluntary liquidation would be very much improved if the creditors as well as the shareholders were required to be equally represented in the persons appointed liquidators.

875. You would give the creditor, then, a new power?—Yes, I say that when a concern is insolvent,

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solvent, it ought to approach to a bankruptcy; and in a case of bankruptcy, the creditors and not the debtors, appoint the assignees. Why should it be different in the case of the liquidation of a company. When a banking company, or a financial company, or a credit company, is insolvent, the shareholders appoint the very people who are to distribute the assets. I say that the creditors ought to have the largest share in that appointment, and that in practice there is an anomaly in their present position. Then, again, there is too much power given to single shareholders and single creditors in applying to the Court, and throwing a company into liquidation. No doubt there has been a system of "wrecking" going on, and solicitors and others have lent themselves to it; it is well known that in some offices in the City there are some 16 or 20 cases of liquidation, and that there has been a regular system of promoting liquidation. Speaking as a liquidator, I think also that the remuneration to the liquidators is in a very anomalous position.

876. Will you explain to the Committee the present system under which the remuneration of liquidators is fixed, and by whom?—The remuneration of liquidators has really never been fixed; various courts have given various decisions. In the case of some banks, the liquidators expenses have amounted to 20,000 *l.*, 30,000 *l.* and 40,000 *l.*, and his remuneration has been fixed variously from five guineas to 15 guineas per day, and from a quarter to one per cent., and sometimes three or four per cent. on the amount realised.

877. By whom has it been so fixed?—It is allowed by the chief clerk, and sanctioned by the Court.

878. Then the chief clerk does apparently exercise a power as to liquidation?—He does exercise a very large and a very salutary power in liquidations.

879. But in this particular case of the remuneration of liquidators, is any power exercised by him?—It is discretionary. In every case you have to get the consent of the chief clerk; we have the case of the Agra Bank, where the liquidator has made a very large claim, and he has based that claim upon what he thought to be right, namely, a per-centage on the amount passing through his hands; but I do not wish to enter into that case, because I am connected with the bank.

880. Upon what precedent did he base that claim?—That the Court has allowed a per-centage in many cases, and if I recollect rightly his claim did not amount to one per cent. on the amount passing through his hands. It is a question of millions.

881. But the trouble may not be proportionate to the amount?—Not at all. Speaking as a professional accountant, and a liquidator, I say that the per-centage principle cannot always be justified. We are called in as professional accountants and are expected to be well up to our work, and the matter of honesty is not a question of dealing with units or with millions.

882. Then you consider that the provisions of the Act fail in some way with reference to this matter; could you point out any alteration of the Act which would bring about a better system?—I am not prepared to make those suggestions now. There appears to me to be a defect in the appointment of liquidator, as I have stated; I think that the voluntary liquidator would very often take the place of the official liquidator, if the liquidator were appointed with the consent of all parties; the creditors have not been, in my opinion, fairly represented in the appointments which have been made, because the Act gives power to shareholders to appoint their own liquidator.

883. Would your own solution of the difficulty be, that the creditors should be allowed to join in the appointment of the liquidators, and that the parties, the creditors being parties, should be allowed to wind up the concern under the supervision of the Court?—Yes; I should never give up the supervision of the Court; I think that that is a security to all the creditors.

884. And you would reduce the power of any single individual unfairly to throw a concern into liquidation?—I would not allow persons to apply to the Court unless they had one-tenth of the share capital of the company, or represented liabilities of the company equal in amount to one-tenth of the paid up capital.

885. Mr. *Vance.*] In one of the largest cases of voluntary liquidation, viz., Overend, Gurney & Co., were not the creditors fully represented?—They appointed creditors' representatives; but the creditors' representatives had comparatively no power whatever. Mr. Charles Oppenhein and Mr. Grissell, and others, are, with the authority of the Court, permitted by the official liquidator to be present and to see the accounts; but I think they have no power to interfere with the duties of the liquidators.

886. Are the official liquidators altogether in the interests of the shareholders?—I am not prepared to speak upon that point; I understand that they are generally nominated by the shareholders; in fact the liquidators are usually appointed on the spur of the moment; when the solicitor to the company finds that they must go into liquidation, he goes to the Court, and he gets one or two persons appointed as provisional liquidators, and they are generally re-appointed as voluntary liquidators or official liquidators.

887. Would you propose that the liquidator in a voluntary liquidation should be approved by the Court?—They are usually approved by the Court now, but if there are two liquidators in any case, such as Overend, Gurney & Co., or the Hindustan Bank, or a finance company, one of the liquidators at least should represent the creditors and one the company.

888. And would you effect that by enactment?—I would effect that by enactment.

889. Mr. *Finlay.*] Do you agree with Mr. Drake that there would be no practical difficulty in reducing the capital of a company?—None.

890. Do you see no difficulty in having such provisions as shall secure the interest of the creditors without extending the liability of the shareholders?—I see no difficulty whatever in it.

891. At present the companies to which you have referred are those which are very much depressed in consequence of the heavy amount of liability to which the shareholders are still subject, does it interfere with the management of their business; does it embarrass them at all?—I do not think that it interferes with the management of their business, nor with their credit, but the grievous point is, that the shareholders are frightened, and they say, "We see the evils of this overhanging liability, and we will get out."

892. You have stated in those cases that the large capital which has been raised was in consequence of the impossibility of knowing exactly what

what amount of capital would be required?—Yes.

893. The same case may occur again, and if there is no power given to reduce the capital, it may throw difficulty in the way of the formation of other companies of a similar kind hereafter, may it not?—The future will take care of itself. I should take care, in all companies which I form, or in which I recommend the investment of moneys, that the amount of unpaid capital was comparatively small; in fact, I shall never recommend a person to invest his money in any company, unless he can see the limit of his liability, and has power to pay up.

894. But in the case of mines, for instance, until they are valued, you cannot tell what capital will be required; and in that case you will have to provide for the maximum, and when you have done that, you will find that it is, perhaps, one-third too large; would it not throw difficulty in the way of the formation of new companies if you had not the power of reducing it afterwards?—Considering the rate at which new companies have been formed of late, I think that a large amount of difficulty thrown in the way of their formation would be a public good.

895. Mr. *Lowe.*] What difficulty do you propose to throw in the way of their formation?—That they should not be formed as they are now at perhaps a few hours' notice, with the Articles of Association so imperfectly prepared; I think you should require them to deposit the Articles of Association with the Registrar of Joint Stock Companies, and that he should see that those Articles of Association contained nothing inconsistent with public policy, and that to some extent they approached to the model clauses in Schedule A.

896. Are you aware that Schedule A. was prepared not at all as a type of what deeds ought to be, but merely of what they were likely to be, as to save people trouble and expense?—It contains all the clauses with regard to audit, and that increase of capital shall be done by the shareholders, whereas, in fact, we find that all sorts of liabilities are incurred by the directors without consulting the shareholders at all. If the Registrar of Joint Stock Companies had the power which I recommend, he would never register a company with Articles of Association where any deed was withheld; I would have no deeds withheld, as in the case of Overend & Gurney; I would have the Registrar of Joint Stock Companies say, "I represent the public to this extent, that you must be perfectly transparent in what you ask, so that an innocent and honest man may be able to see clearly what you mean, and what you ask for, and what are your powers."

897. But why not leave the innocent and honest man to look out for that for himself, instead of doing it for him?—You do a great many things for the public, and that is one of the protections which they ought to have.

898. Is there any such protection to the public in this Act, except publicity?—You have not publicity in the case of the Articles of Association.

899. Cannot any person go and see them for a shilling?—They can do so.

900. Would it not be liable to this objection, that people would put trust in the Registrar more than they should do, and throw all the blame upon him when they found they were mistaken?—I think that it would be a great deal better than putting trust in nobody, because I should say that not one per cent. of the persons who come into liability companies read first the Articles of Association.

901. Is it not the best to do all we can to inculcate in people that they had better trust to themselves than to others in these matters?—It is.

902. You state that the Court appoints the liquidator when the company is wound up under an order of the Court; can you suggest any improvement of the liquidator?—I would require the Court to appoint two liquidators, one of whom should represent the creditor; I think that there is sometimes injustice done to the creditors by the appointment of one or more parties representing only the shareholders.

903. How many liquidators are required?—One or more may be appointed; I believe that the best liquidation is where there is a single liquidator, and when he does represent all parties.

904. Then you would get all parties represented if you had one liquidator; how would you get the opinion of the Court and the creditors altogether?—The liquidator has power to call the creditors together at any time.

905. But do you mean that you wish the creditor to be consulted as to who the liquidator should be?—Where two liquidators are appointed, one ought to be appointed to represent the creditors.

906. But when there is only one?—He then represents all parties; I believe that the individual discretion of one man in managing any estate, however large, is better than that of three or four.

907. Then you would not give the creditors any voice?—They would be represented by him.

908. But they would not have any voice in his appointment, according to your proposal?—No.

909. In voluntary winding-up you would give the creditors a voice jointly with the shareholders, or alone?—I would give the creditors a voice jointly with the shareholders, except in the case of a single liquidator, which seldom occurs in the case of a voluntary winding-up.

910. Would you think it better that it should be the case?—Yes; but I think that in all cases a professional man does a thing better alone, on his individual responsibility.

911. Are you aware that in Scotland there is a single person called a trustee, who is much the same as a liquidator?—Yes.

912. The creditors appoint him; do you think that plan would answer?—I think it answers much better than our system here; but I would not take away all the voice from the shareholders, because the shareholders are very deeply interested.

913. Then how would you arrange it?—I cannot illustrate that better than by this case of the Hindostan Bank: I represent all the creditors, but I am associated with three gentlemen who were directors or shareholders, and who represent the shareholders; therefore I am a single liquidator, representing the whole of the creditors. Fortunately we all agree, and as I am the only professional accountant in connection with the liquidation, they allow me to have a good deal my own way; we have never had one mishap; but one can very easily conceive that four gentlemen sitting in that way might have a difference of opinion; as for instance, they might insist upon

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no call being made; and, in that case, there is power to go to the Court.

914. In the case of a single liquidator in voluntary winding-up, how is he appointed?—He generally is appointed on a joint recommendation by the shareholders and creditors.

915. And if they cannot agree, what happens?—Then the creditors send in one, two, or three names, and the shareholders send in one, two, or three names to the Court, and the Court selects the liquidator.

916. Then the creditors might be unrepresented altogether, might they not, because the Court might take the name sent in by the shareholders?—There would be no harm in that, because, being selected by the Court, he would then represent all parties.

917. I thought that your objection was, that the creditors should be represented?—Where two or more names are sent in to the Court, the Court selects.

918. Do you think that the Court has given satisfaction in its appointment of liquidators?—I think that it has; I think that the system of liquidation under the tremendous emergency of the crisis has been very valuable indeed.

919. In Scotland, the trustee is generally paid upon a per-centage, which is agreed upon beforehand, is he not?—Yes.

920. Would that plan answer with the liquidator?—I do not see the general applicability of a per-centage; as a professional accountant, I consider that I have a right to charge what price I like for my services; and several years ago, I put the price of my services at three or four times the price of an ordinary accountant's services; I said, "I cannot afford to do anything for less than 10, and in some cases, 20 guineas a day; it is not worth my while."

921. Would there be any difficulty in arranging that before hand?—I do not understand how all this complaint has arisen about the payment of the liquidator, because people can make any arrangement with the official liquidator beforehand?—It is not usual to make it; voluntary liquidators are sometimes appointed at a meeting of the shareholders of the concern, subject to any settlement as to remuneration at a subsequent meeting; the fact is, that it is practically settled between the solicitor and the liquidator and the chief clerk, and it comes back to the shareholders, and they approve of it; but in the case of an official liquidator, neither shareholders nor creditors have a voice in the remuneration; that is settled by the Court; they can appeal to the Court against the charges, but that would usually be considered a very invidious thing.

922. You suggest that it should be done in the same way as the appointment of a voluntary liquidator?—Yes; the Vice Chancellor or the Master of the Rolls might lay down certain rules which would limit the remuneration of the liquidator according to the amount of responsibility attached to his position, and according to the man appointed.

Friday, 29th March 1867.

MEMBERS PRESENT:

Mr. Alderman Salomons.
Mr. Stephen Cave.
Lord Frederick Cavendish.
Mr. Finlay.
Mr. W. E. Forster.
Mr. Goschen.
Mr. Graves.
Mr. Kirkman Hodgson.
Mr. Lowe.
Mr. Solicitor General.
Mr. Watkin.

EDWARD WILLIAM WATKIN, Esq., IN THE CHAIR.

WILLIAM KNAPP HENDERSON, Esq., called in; and Examined.

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923. *Chairman.*] ARE you an Accountant in the City?—I am.

924. And have you had experience in reference to Limited Liability Companies?—I have.

925. I think you have made out for the Committee a statement showing the number of companies in liquidation, the amount of capital, and the names of the principal liquidators, have you not?—A statement to the end of last year.

926. Will you hand in that statement?—I will.

[*The same was handed in, and is as follows:*—]

"SUMMARY.

Liquidators.	Number of Companies.	Amount.
		£.
Harding, Whinney, and Gibbons - -	61	20,259,600
Coleman, Turquand, Young, & Co. -	29	18,416,000
Kemp, Cannan, Ford, & Co. - - -	12	13,660,000
Price, Holyland, and Waterhouse - -	8	5,200,000
Chatteris and Nicholls - - - -	5	4,915,000
Quilter, Ball, & Co. - - - - -	5	1,100,000
Sundries, consisting of 91 persons - -	139	28,558,600
	259	92,109,200
Deduct Companies represented by two Houses - - -	2	6,000,000
	257	86,109,200

"The firm of Harding & Co. represent one-fourth of all the capital in liquidation.

"The firm consists of three partners, who, on the average, would have 20 companies each to liquidate, and they could not possibly give more than about 20 minutes a-day to each. One of the partners (Mr. Whinney) has in his own name 30 companies; he could not give more than about 10 minutes per day to each.

"Coleman & Co. represent upwards of one-fifth of the capital, and have four partners engaged in liquidations. These have an average of nine and a-half companies each, and could give about three-quarters of an hour a day to each, if they had no other business to attend to; their other business is, however, very large. These two firms have very nearly one-half of the total capital in liquidation under their control."

927. Have you anything to suggest to the Committee in reference to any alteration and amendment of the Act, as regards the formation of companies under the Act of 1862?—I have given considerable consideration to the subject. My idea is, that if some amendment was made by which intending shareholders should have the opportunity of investigating, as to the *bona fides* of the prospectus, and seeing that the prospectus agrees with the articles of association it would be a valuable provision, as at present the directors who are usually appointed under the articles of association, or the prospectus, are nominated by the promoters, whose object generally is to make a large sum of money out of the formation of a company. I think instead of those directors, the prospectus should merely appoint a provisional committee, who should allot the shares, and call a meeting of the allottees, those allottees to appoint directors, whose first duty should be to see that the prospectus was correct, and that the articles of association agreed with it; the shareholders should then be allowed, in the event of those directors reporting that the prospectus was not borne out by the facts, to withdraw from the company, and the expenses which had been incurred, should be paid by those who had attempted to get it up.

928. The deposits in that case would be simply caution money?—They would be simply caution money, and should be returned.

929. With regard to the question of capital, have you anything to suggest as to the proportion of uncalled capital?—I think that the proportion of uncalled capital is now very much too large in proportion to that which is called. It gives companies apparently a credit which they should not have; parties are inclined to deal with them under the impression that that large amount of uncalled capital forms a valuable security, but when the company is wound up, it generally turns out that the shareholders are not able to find that capital which is uncalled, and therefore in point of fact, it is a myth, and is no security at all. I think if it were confined to one-fourth of the capital, it would be much better than as at present.

930. Have you any recommendation to make to the Committee with reference to a question which has been raised as to giving companies, limited by shares, the power by resolution of reducing their capital, after providing efficiently

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and properly for the payment of creditors?—I think that it would be a very good thing with regard to those companies which are now in existence, if such a power was given to them, but I think my suggestion with regard to only one-fourth of the capital being uncalled, would meet the point with reference to any companies formed hereafter.

931. In reference to the question of liquidation, which has given rise to a good deal of discussion in the City, have you anything to suggest, first of all, with regard to compulsory liquidation?—I think that compulsory liquidation as now conducted should be done away with altogether. It is a very dangerous thing when any creditor can serve a company with notice to wind up, without having first obtained a judgment, and thereby bring a pressure upon them. If a company, instead of being wound up entirely by the Court, were wound up somewhat similarly to the way in which bankrupts' estates are wound up, under a trust deed, certain of the creditors and shareholders jointly being trustees, they would then be able to wind it up themselves; having power, of course, to go to the Court, if it were necessary.

932. How would you appoint those trustees?—By a meeting of the shareholders and creditors.

933. Would you have separate meetings of the shareholders and creditors?—No; a meeting of the two together; but I would fix the number which should be chosen from each body, at, say, two from each; and that would, no doubt, result, in the course of time, in the very same men being employed to liquidate who are now employed, namely, accountants. But the difference would be this: that under the present law it is very difficult indeed to get rid of a liquidator, if the shareholders or the creditors desire to do so; but in that case he would merely be the servant of those trustees, and they would be able at any time to dismiss him, and to call in another if they chose.

934. Then, your idea is that the creditors should elect two trustees and the shareholders two trustees, who should wind up the affairs of the company under the supervision of the Court, and that those four persons should choose a liquidator upon good behaviour, also under the approval of the Court?—Yes; but, with full power to get rid of him at any time, merely calling him in as a consulting accountant.

935. Can you give the Committee any information as to the principle upon which the remuneration of liquidator has been hitherto fixed?—Up to a certain time they had been paid by commission, but now they are usually paid by time, and I do not think that there is any rule as to how much per day a liquidator is to be paid. It rests very much with the chief clerks in the Court of Chancery. I know of one case where a provisional liquidator was allowed five guineas a day and his clerks 25 *s.* a day; but he was not in office more than three months, and his remuneration came to 700 *l.* I know a good deal of the case, in fact, I was individually connected with it, and I thought he was very justly paid; but I happen to know that the charges of his successor, who was afterwards appointed official liquidator, came in less than 10 months to near 5,000 *l.*

936. Upon what principle do you suppose that 5,000 *l.* was given to him?—I think his fee would probably be five guineas a day, excepting when he is out of town, and then probably it would be 10 guineas a day; but I think where it amounts to so much is in making up the time. The time is always taken at six hours a day, and, of course, many men work a great deal more than six hours a day; and then, as regards the clerks, of course he can charge almost any time for them.

937. Do you think that many gentlemen, there being only 24 hours in the day, having 10 companies to liquidate, would charge time to every one of them?—I think in some cases it is done; otherwise I cannot conceive how the immense amount is made up.

938. Is there any other suggestion, in reference to the amendment of the law, which you wish to lay before the Committee?—I do not know that there is any other suggestion.

939. Mr. *Graves.*] I think you suggested that one-fourth of the capital should remain uncalled; will you be good enough to explain why you thought so?—I think some portion must be left uncalled, in order to give the company credit; but I think the great fault now is that so much has been left uncalled, that the shareholders are not sufficiently responsible to make up that which is uncalled when the company comes to be wound up. I do not think a limited liability company could obtain any credit at all unless some portion of their capital was uncalled.

940. If the capital was all paid up, would not that give a more *bonâ fide* credit to a company than a margin from a proprietary which was not equally responsible?—I do not think that would be so in a limited liability company.

941. Mr. *Finlay.*] With regard to the one-fourth of the capital not being paid up, supposing a company has paid up three-fourths of its capital, and that it is obliged, owing to the exigencies of the company, to require that the other portion should be paid up, how would you deal with such a case?—I would not allow that without winding up. I would not allow a company to call up more than a stated amount without winding up.

942. Then that quarter would be a sort of reserve?—Yes.

943. Then, as to the liquidation; is it a very expensive operation at present?—It is very expensive.

944. Does the expense depend upon the amount of capital?—It does, partially. The chief clerk, I believe, considers the amount of responsibility and trouble which the liquidator has, in fixing the amount per day which is allowed him for his time.

945. Is the expense smaller in a small company than in a large one proportionably?—I do not think it would be; but there is no regular rule by which the liquidators are paid.

946. Would you consider liquidation to be an easy and desirable means of reducing the capital of a company?—Yes, if the liquidation is carried out in the way that I suggest, and not by compulsory liquidation, which, I think, is a very expensive and very tedious mode.

947. Supposing a company, under the existing law, wishes to reduce its capital, can it do that in an easy and economical way?—If they wished to reduce their capital, and to go on afterwards, they would have to go through the whole system of liquidation and to form again, and that is both a very expensive and very tedious way of arriving at it.

948. What would be the great difficulty?—The great expense of liquidation.

949. You

949. You must first have the sanction of every individual shareholder, must you not?—Either that, or you must run the risk of not getting your capital for the new company that is formed.

950. Then, you think the only way of facilitating the reduction of capital is by giving new power?—By giving the company power to reduce their capital by special resolution; of course saving the rights of the existing creditors.

951. Mr. *W. E. Forster.*] You have had, I suppose, a good deal of experience with regard to limited companies?—I have had considerable experience, within the last three or four years, since the passing of the Act of 1862.

952. Has your experience been in London?—Yes.

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William Newmarch, Esq., F.R.S., called in; and further Examined.

953. *Chairman.*] Do you wish to add anything to the evidence which you gave to the Committee on your previous examination?—I have nothing to add to the evidence which I then gave.

954. Mr. *W. E. Forster.*] In one answer which you made to one of the questions of the honourable Chairman, you stated that you thought that there was between twenty and thirty millions of actually paid-up money, more or less, in a state of suspended animation at this time on account of the difficulty of reducing the liability upon uncalled capital; do you mean by that that such money is kept idle?—I mean that an amount of capital, probably of not less than 30,000,000*l.*, which has been invested in the shares of limited liability companies, is rendered practically unmarketable in consequence of the impossibility of reducing the denomination of the shares of those companies to some proportion more adequate to the kind of business to be carried on. The money is there, and is invested in those companies, and must remain there; but the owners of that capital are unable to bring it to market at all, in consequence of the impediment to which reference has been made.

955. But you did not mean by that answer to give the impression that that money was taken out of the capital of the country?—No.

956. The next question which the honourable Chairman asked you is this: "Then, looking at it with the eye of a financier and of a banker, does it strike you that the operation of this Act is doing a great public damage?" And your reply is: "A great public damage and great personal damage, and for no adequate object." The personal damage, of course, is to the shareholders whose property is depreciated; but in what way is the public damaged?—The public damage consists in a mass of property which certainly is very large, and the primary condition of which is that it should be transferable on easy terms, and marketable, being prevented from being transferable and from being marketable.

957. But did you mean that the amount of capital was taken away from the money-market?—I scarcely know what is meant by its being taken away from the money-market. The capital is *bonâ fide* capital and has been paid up for the purposes of those undertakings, and is invested in those undertakings; and but for those artificial impediments that capital, or a great portion of it, would be capable of being transferred, if not daily, at least at very frequent periods.

958. And it would get into the hands of more responsible people, I suppose?—That would follow of course, which we see followed by railway shares and by shares in joint stock banks and other concerns in which the public have confidence.

959. Several suggestions have been made to this Committee with regard to legislative alterations which should be made, and which should impose greater restrictions upon the promoters and shareholders of limited companies; do you yourself propose that there should be any such alterations?—No, I do not; I have a very strong opinion that the true policy in these cases is to leave the parties to take care of themselves; the function of the law in such matters is of a very limited character indeed, and the moment that the Legislature oversteps that function I have a strong opinion that they do a great deal more harm than good.

960. If you will allow me, I will go over several suggestions which have been made by the Stock Exchange, and which were handed in by the first witness who was called, Mr. Curzon; and if you have any opinion upon either of them perhaps you will give it as I read them. The first suggestion is, "That before a company is registered, the Registrar of Joint Stock Companies should satisfy himself as to the status of the subscribers to the memorandum of association;" what is your view as to that?—I believe that that is utterly impracticable, and if practicable it would be mischievous.

961. The second suggestion is, "That companies should be restricted from employing their funds in the purchase of, or in advances upon, their own shares;" what is your opinion upon that?—That is the law at present, I think; I see no objection to some restraint of that kind being applied.

962. Is it the law at present?—I speak with some hesitation upon that, but I have an impression that there is some clause in the Act which rather prevents a company from dealing with its own shares.

963. Mr. *Goschen.*] It is generally put in the articles of association at all events, is it not?—I think that, perhaps, it would be salutary.

964. Is it not generally put in articles of association?—I have seen it in those articles very frequently.

965. Mr. *W. E. Forster.*] Would you make it compulsory by law that it should be inserted in the articles of association?—Yes; I should be rather inclined to prohibit them from dealing in their own shares.

966. The third suggestion is, "That they should also be restricted from borrowing money on debentures, or on mortgage, upon the general funds of the company;" what do you say to that?—I see no reason why there should be any restriction of that sort.

967. Returning to the second suggestion, take the case of a thoroughly *bonâ fide* company finding that some of its shareholders were wishing to give up their shares, do you think that there would be a strong objection to the company taking those shares?—I think so.

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968. Mr. Alderman *Salomons.*] I think that in the articles of association, there is a power often taken by companies to buy their own shares?—I am not aware of that; my impression is, that there is something in the Act which either prevents or discourages a company from dealing in its own shares.

969. Mr. *W. E. Forster.*] The fourth suggestion is, "That vendors should be enabled to enforce registration of transfers by summary process before a Judge in Chambers;" what is your remark upon that?—That is, I think, very salutary.

970. Then the fifth suggestion is a very important one, and we should be very glad to have your opinion upon it: "That any fraud, misrepresentation, or suppression of facts, by directors, or other officers of the company, should be made punishable as a misdemeanor"?—I hardly know what the punishments of misdemeanors are; but if it is intended that a man should be sent to penal servitude, or put in prison for a long term of years, the punishment might very greatly exceed the offence. It is very desirable that persons concerned in the management of a company should clearly understand that punishment of an adequate kind (and of a severe kind, for that matter) would follow upon any dereliction of duty; but I think that that is the law at present.

971. Then the next suggestion is, "That companies should not in any case increase their capital without the consent of the shareholders convened specially for the purpose;" what do you say to that?—That I think is a point rather to be settled by the company itself. I mentioned, when I was before the Committee on a former occasion, that I think that it should be obligatory upon all companies to circulate to every person who receives an allotment of shares, a full copy of the articles of association, and of any other document setting out the constitution of the company; and so long as the persons entering the company have the fullest and most convenient means of being informed of what the objects and design of the undertaking are, I do not know that more can be done.

972. The next suggestion, so far as I understand it, is, that there should be some legislative enactment providing that the remuneration of the directors for services performed previously to the first general meeting shall be determined by the company in general meeting; do you think that the law ought in any way to interfere between shareholders and directors as to their payment?—I think not; I believe that, as the law now stands, it has become perfectly clear that the articles of association must set out any remuneration intended to be given to the promoters, or first directors; and it will be for the shareholders themselves, if they have a copy of those articles before them, to raise all the proper objections.

973. The next suggestion is, that "before the articles of association are effective, they should be examined and approved, as in the case of a benefit society." I observe that that suggestion has been made by other witnesses. Do you think it would be advisable to give power to any legal official to examine and approve of the articles of association?—I think that it is quite impracticable, and would be delusive.

974. Do you think that it might cause the shareholders to rely upon the security given by an official arrangement which, after all, might not be effective?—I am quite sure that that would be the effect of it.

975. Then the next suggestion is, that "all deposits should be returned, unless a specified amount of the nominal capital be applied for and allotted;" what is your opinion upon that?—I scarcely think that that is a point to be made a matter of legislation. The cases vary so much that they must be left, I think, to the operation of the ordinary law.

976. Mr. Alderman *Salomons.*] Do you not think that the shareholders ought to be informed of it at the first general meeting?—The cases vary so much that it would be very difficult to lay down what is a proper amount of shares to be taken, or what is a proper amount of capital to commence business with; it would be very difficult to lay down a rule which would not produce injustice in many cases.

977. Mr. *W. E. Forster.*] The next suggestion is, "if half the proposed capital be not subscribed for and allotted *bonâ fide* within three months, the company shall not commence business, but give notice to the registrar, who shall cancel the registration;" what is your view as to that?—That seems to me to be entirely impracticable. What is meant by the term *bonâ fide*, for example; who is to judge of the *bonâ fide* nature of the allotment, and of the *bonâ fide* nature of the persons who receive the allotment?

978. Mr. *Kirkman Hodgson.*] Is it not the case that, in a banking company lately, there was a capital consisting of 40,000 shares, and 24,000 shares were allotted; but, in reality, the public took very few of those shares, and they were allotted to partners in the old concern, which turned out to be totally insolvent; I allude to Barned's Banking Company?—Quite so.

979. In that very case, would it not have been very difficult to prove that the shares were not allotted *bonâ fide*, but, so far as the public was concerned, no fresh capital was raised?—Quite so.

980. Mr. *W. E. Forster.*] Would you propose to give to any legal official the power of deciding whether any company was established *bonâ fide* or not?—Certainly not. The courts of Westminster Hall are established for deciding this question, and a very difficult question it is. You could not relegate those questions to the Board of Trade, or to any other public functionary. There is the law of the land open to them, and any man who considers himself deceived or injured can appeal to the law of the land.

981. Mr. Alderman *Salomons.*] Who would put the law of the land in force?—Generally speaking, the man who has sustained the grievance.

982. Mr. *W. E. Forster.*] Generally speaking, would you suggest that there should be any attempt by law, to protect the shareholder from the consequences of investing his money in a company that would not pay?—I have a very strong opinion upon that point.

983. Do you think that anything could be done to make it more certain that publicity should be given by the arrangements of the company?—I ventured, when I was examined before the Committee on a previous occasion, to make one or two suggestions directed to that point, to ensure that the parties shall have the fullest opportunity of understanding each other; if they do not understand

understand each other, they must take the consequences, but it appears to me that the function of the law can be best directed to taking care, as far as may be, that the parties do understand one another, by having before them all the proper documents; and it was upon those grounds that I suggested that it should be obligatory upon the company, in a very early stage of its formation (certainly when they get so far as the allotment of those shares), to send to every person to whom shares were allotted, a copy of the articles of association, and of any other document which might be necessary to explain or elucidate the prospectus. The next suggestion which I ventured to make was, that as in many cases shareholders are scattered over the country, and you may have instances of a company comprising a thousand or two thousand shareholders, where the meetings are attended by only 30 or 40 persons, it should be obligatory upon all companies to circulate the shorthand writer's account of the proceedings of every general meeting, and that that account should be put into a convenient pamphlet form, so that it might be preserved and might be readily referred to. In that way you would at all events insure that all persons prevented from attending meetings would know pretty well what took place at those meetings. The third suggestion which I ventured to make was, that it should be made obligatory upon companies, that once a year they should circulate to each of their shareholders, and sell to the public at some small price (such as 6 *d.* or 3 *d.*), a list of all persons upon their register, with their addresses, and the number of shares held by each. As the law stands now, a list of that kind can only be obtained by paying a very extravagant price, 6 *d.* for 70 or 80 words, and it requires a great deal of time, and if a company likes to be obstructive in giving it, which is by no means an uncommon occurrence, it is very difficult for a man in a company to know who his co-partners in the company are.

984. Several suggestions have been made to the Committee, that the law should interfere with regard to the amount of uncalled capital, and that it should prescribe that there should not be more than a certain amount of uncalled capital; would you advise that the law should in any way interfere in that matter?—Certainly not, rather the contrary; I believe that the best thing which the law can do, is to encourage those limited liability companies to pay up the whole amount of their shares, and then to leave them to trade, as a private person or a private firm trades, upon their credit, and upon the reputation which they acquire for good or bad management.

985. The suggestions have been rather in that direction, but that the law should interfere and should state that there should not be more than a certain amount of uncalled-up capital; but would you think that the law ought so far to encourage the capital to be called up as to enforce its being called?—Certainly not. I would leave the parties to form their own judgment from their own experience.

986. Mr. *Kirkman-Hodgson.*] As a general rule do you think that it would be a good thing for the Company and for the creditors that the capital should be called up?—I think so.

987. Because it defines more clearly than any uncalled capital can do, the extent of the credit to which the companies is entitled?—Perfectly.

988. Mr. *W. E. Forster.*] A suggestion has been made to me by a gentleman of some experience; I do not ask the question as having any opinion about it myself, but it is this: that the directors should summon a general meeting of the allottees, to be held not less than one month or more than two months after the completion of the allotment, to enable allottees to confer with the directors as to the prospects of the company; that any allotteee making request for a cancellation of his allotment within one month after such meeting should be entitled thereto, with a return of his deposit (less five per cent. to go towards preliminary expenses); that no company should commence business till after the inquiry of the month above mentioned; and in the event of any allottees withdrawing, till after their allotments have been taken up by other persons; and that in the event of such vacated allotments not being taken up within four months from the date of the general meeting, the company should be dissolved, the object being that there should be a general meeting called, which should give the allottees the power of withdrawing before the business was undertaken; will you state your opinion upon that proposal?—That seems to me much too complicated, and to involve points which can scarcely be comprised in any general enactment. The utmost that could be done, I think, in the way of positive injunction upon the subject would be (and I am not at all sure about it) to make it obligatory upon all companies to hold a general meeting of the members within some short time of their formation, and to leave the general meeting to take any course it pleased upon the facts before it. The law might make it obligatory to have a meeting within four months or six months after its registration; but I have a strong opinion that the law should stop there even if it went so far.

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989. Mr. *Goschen.*] With regard to the borrowing powers of companies, would you limit the borrowing powers of a company?—Not by statute.

990. You would not make any general enactment as to the amount of capital which a company might borrow?—No.

991. Some of the witnesses before this Committee have suggested that it might be possible to say that a company should not borrow more than a certain amount; do you think that, in the case of trading companies, that would be possible?—I think not. I am of opinion that that is entirely beyond a matter of law. If people like to lend money to a rotten company, let them lend it, and let them lose their money, and then they will not do it any more.

992. You would not throw any obstacle in the way of companies obtaining money on credit?—Certainly not.

993. Would you say that a company would be more likely to get credit if it had a large paid-up capital, or if it had a small paid-up capital with a large liability?—According to my view a limited liability company gets credit in proportion to the reputation that it has as being an honestly and well-managed concern; but whether the capital be wholly paid up or partly paid up is a question upon which the person who lends money, or who parts with goods, to the company must form his own opinion.

994. But which do you think would be the better security, a 100*l.* share, for instance, 50*l.* being paid up and 50*l.* not being paid up, or 100*l.* paid up?—The amount not paid up would depend,

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depend, of course, upon the quality of the names upon the register, and that we know is a very varying element. I can quite suppose cases where a creditor would rather deal with a company where the capital was wholly paid up than with a company where 25*l.* out of 50*l.* or 50*l.* out of 100*l.* was not paid up.

995. One point has been raised in evidence which is, I think, not very clear. Would you say that you get better security by a 10*l.* share, with a 10*l.* liability, than with a 50*l.* share and a 50*l.* liability?—I think so. I think it is very material to enlarge the basis. I had much rather (adopting an old insurance formula) have five men at 10*l.* a piece than one man at 50*l.*

996. Do you not think that the one man with the 50*l.* is more likely to have another 50*l.* than the men with the 10*l.* are to have their 10*l.*?—But I have five chances against one, at all events.

997. But do you not get to a poorer class of shareholders?—I do not think that follows at all. I should say that you would get rather a richer class. I do not think a rich man is very fond of taking a large amount of unknown liability, but rather the reverse.

998. But is not a man who puts 50*l.* in, more likely to put in only a portion of his money than a man who puts 10*l.* in?—That is entirely a speculative question; but, looking at the facts, I do not think that there is anything to justify one in supposing that, because the shares are of small denomination, therefore the persons who own them are of inferior quality; my own impression is the reverse of that.

999. Have you heard any statistics at all upon the point, whether in companies with large shares there is more difficulty in getting the shareholders to pay up than in smaller companies?—I have no case in my mind of that sort.

1000. With regard to registering transfers, do you think that the law is at present in a satisfactory position as regards the absence of the necessity for transfers being registered immediately; have you heard any complaints about it at all?—Yes, that seems to me to be a decided defect in the law. As the law now stands, a person may sell in the market a parcel of shares, and he has no security whatever that the person to whom he sells the shares will carry them in for registration for six or twelve months thereafter. I think that is a case which might very fairly be provided for by Statute.

1001. There is a practical hardship in that case on the seller, is there not?—I think so.

1002. And you prolong his liability?—Yes; the seller parts with his share at a certain price, and according to a certain calculation, with the full expectancy that the buyer will register the share with the company; and I think the seller ought to be secured in that result coming about. Whether the Stock Exchange could meet the point by making a rule or bye-law of their own body, that the broker of the seller should sell subject to a special condition of registration within so many days, I do not know.

1003. But the law as it at present stands gives no power, does it, to compel the man to carry out that part of the bargain which is to substitute his name on the register for that of the seller?—I believe it does not, and I consider that a defect in the law.

1004. The seller is liable for a year after his name has been taken off the register, is he not?—Yes.

1005. And any delay extends that year?—Yes.

1006. So that if the buyer does not register, the seller might then remain 18 months liable after he sold his share, instead of a year?—Yes, and that is one of those technical defects which open the door to a great deal of petty fraud and petty vexation which ought to be removed.

1007. With regard to the question of the reduction of capital of different companies, do you think that there is a change of feeling in the City with regard to the amount of unpaid capital as compared with what there was a few years ago?—Yes, I think the public are now very much alarmed, and with great reason, at the formidable liability arising from any large amount of uncalled capital upon shares in limited companies; and that is precisely the difficulty which we see now on all sides.

1008. What reason would you give for there having been so many companies formed who were anxious to provide this large capital, and who are now anxious to reduce it?—I believe that arose very much out of thoughtlessness, or from the point not having been sufficiently considered. The public and the promoters of those companies really did not understand what the operation of the limited liability was; and, as the Committee will remember very well, the great mass of those companies were formed at a time when the public were not in a critical state of mind, and did not look at the mere nominal figures, but looked very much to more immediate results.

1009. In point of fact, the companies thought it was best to fix a large amount of capital without considering the consequences of it?—Quite so.

1010. Now, the companies themselves seem to have become more prudent in that respect, and to think that it is desirable to have a less ambitious capital, and one more suitable to their actual business?—Yes; they not only entertain that view as a matter of opinion or abstract reasoning, but they have been driven to it by the hard facts of the case. A company which really required only 1,000,000*l.*, formed itself, with a great flourish of trumpets, two years ago, with a capital of 2,000,000*l.*, and now it finds shares entirely unsaleable in the market in consequence of the large uncalled liability; supposing the case to be *bonâ fide*, it has found also that it only requires 1,000,000*l.*, and naturally it is very anxious to get rid of a burthen which is found to be not only not ornamental but exceedingly mischievous. That, with great submission, appears to me to be a reasonable ground for asking the Legislature to afford relief.

1011. *Chairman.*] To abolish a restriction?—To take away those legal impediments which prevent the company from reducing its nominal capital into a close approximation to its actually required capital.

1012. Mr. *Goschen.*] Have you considered the position of the shareholders of a company which had long engagements, such as debentures, if the capital was reduced, they remaining liable for the debentures for a period of 10 or 12 years?—The Right honourable Member was good enough to raise that point when I was here before, and on reflection I am inclined to think that there is very considerable force in the reasons which he urged in favour of affording the fullest protection to creditors upon long-dated debentures.

1013. And

1013. And not only to creditors but to a minority of shareholders; would you not think that a minority of shareholders would have considerable right to complain if they were forced to remain liable for a large number of years after they had parted with their shares?—Yes; for the practical purposes of this inquiry, limited companies seeking the privilege of reducing the nominal amount of their shares, and the nominal amount of their capital, might be conveniently divided into two groups; the first and simplest group comprising those companies which have no long engagements upon debentures; in their case, I think probably the course to be pursued is very simple; the second group would include those companies who had incurred obligations of greater or less amount upon debentures, and paper obligations of that kind having some time to run. As regards companies in that category, it is quite right that care should be taken that the holders of those securities received no damage; and also, as the Right Honourable Member points out, that care should also be taken that no injustice is done to any dissenting body of the shareholders. The latter point would be met, I venture to submit, by requiring that any resolution for reducing the capital and shares in such a company should be passed only by two-thirds, or, at all events, by something more than a mere majority, of the shareholders on a particular day.

1014. A shareholder in that position would have a liability over him, would he not, of which he would never be able to get rid till the debentures ran off?—Quite so.

1015. And in the case of a man dying who had held shares of that kind, it might lead to great complications, might it not, his estate remaining liable for certain debentures that might be running for 10 or 20 years?—Quite so. I think it would be quite fair, in any relaxation of the law which may be granted by Parliament, to impose such conditions as would rather lead companies owing money on debentures to make terms with the holders of those debentures before they altered in any way the status of the company. Probably it would be too strong a measure to say that a company, before reducing its share capital, should pay off all its debentures or get rid of all its debentures.

1016. Mr. *Kirkman Hodgson.*] Is it not the case that very few companies have issued debentures?—They are comparatively few in number.

1017. Mr. *Goschen.*] Nearly all the land companies have issued debentures; it is part of their system, is it not?—Some of them have done so.

1018. *Chairman.*] Are not those land mortgage companies generally under special Acts?—I think there are some under the General Act.

1019. Mr. *Finlay.*] If the holders of debentures having a long time to run were to get a promise to pay off the debentures within 12 months, that would relieve the shareholders, and also the debenture holders, would it not?—The effect of such an arrangement would be, that a man having a debenture for five years must be relied upon to take a debenture payable at the end of one year.

1020. Would not that meet the difficulty suggested by the Right Honourable Member?—A man might say, "I will not wait a year; I will be paid off." I do not think that it is any part of the function of the law to step in between two persons having made a special contract. If a man has entered into a specific obligation, he must fulfil it, or wait until it is disposed of by the lapse of time.

1021. I do not mean that it should be made compulsory upon the bond-holder to take the payment within a year; but if it were offered to him, is there any reason why he should not take it?—I can imagine cases where a man would be very glad to take it.

1022. Would it be any hardship to a bond-holder, if the company were obliged to offer payment within 12 months, and if, supposing he refused, he then had to take his chance of future payment?—I would rather leave the case to be worked out between the parties themselves.

1023. Mr. *Alderman Salomons.*] You would say this practically, would you not; that in any case where a company has issued debentures for many years to run, they would not be allowed to reduce their capital, that being one of the elements of their credit, without coming to terms with their debenture holders?—That would be the principle upon which I should act.

1024. Mr. *Goschen.*] With regard to the question of buying shares, would you see any objections to an absolute rule prohibiting companies from buying their own shares?—I should not. I have a strong inclination to prohibit companies by statute from dealing in their own shares.

1025. Would you have any objection to their buying their own shares, provided they cancel them when they are bought in certain cases?—That power is rather inherent in the constitution of a company. If a man falls into arrear with his calls, what the company do is to say, "Now, sir, unless you pay up by a certain day you forfeit your shares."

1026. I have heard of operations where they found that the capital was needlessly large, and where offers had been made for tenders from the shareholders to sell their shares to the company to be cancelled; would you see any objection to that?—I should see no objection to that.

1027. Therefore, that would be a case where absolute prohibition would not be desirable?—I should not regard a company coming into possession of its own shares, either in consequence of non-payment of calls or in consequence of the shares being cancelled, in pursuance of some public proceedings of the company, as a dealing with the company's shares; always provided that the shares were not re-issued, except in pursuance of a vote of a public meeting of the company.

1028. Then you do not object so much to the buying of the shares under a general resolution and publicly; but you think it would be highly objectionable that there should be a buying of shares when they are low, and then re-selling of them when they are high?—My strongest objection is to anything in the nature of dealing in the shares. I can imagine cases where it may be desirable and perfectly fair, that a company, in pursuance of some public resolution of the members of the company itself, should seek to cancel a certain number of its outstanding shares, either by purchasing them in the market in a perfectly straightforward way, or by cancelling the shares of members in arrear. That seems to me to be quite a separate proceeding from dealing in shares.

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1029. But care would have to be taken in a general Act to prevent such buying of shares as you mentioned in your last observation?—Quite so.

1030. Mr. *W. E. Forster.*] I dare say you are no doubt aware, that it is not unfrequently in the articles of association of banks that the bank has a lien upon the shares of its shareholders for any debt which they may owe to the bank?—Yes.

1031. Of course you would be aware that that not unfrequently results in the limited banking company coming into possession of such shares?—Yes.

1032. Take the case of a bank that is a creditor upon one of its shareholders for an overdrawn account, and which by the articles which that shareholder has signed has a lien upon the shares, so that, if the man fails, the shares come into the possession of the bank; would it not be necessary in some way to provide for such a case as that in making an enactment?—I think it would.

1033. Would you think that a bank should be debarred from thus obtaining possession of its own shares?—I think not. I do not consider that dealing in shares implies the prohibition of cases of that sort. That is a case where a certain kind of security comes into the possession of the company in consequence of the failure of the person to whom credit has been given in some form.

1034. But would you oblige them by law to cancel such shares instead of selling them?—That is a somewhat difficult point to answer offhand. I do not see that the necessity of the case requires that such shares should be cancelled there and then. Probably the case would be met by the bank's setting out in its balance-sheet the exact number of shares it held, and what it cost them, so that everybody might know, and that all the shareholders in the concern might be perfectly aware that a certain number of shares were in the possession of the directors. But these seem to me to be rather different cases from what is understood by dealing in shares.

1035. Would you take away from a bank, or from any company, the power of issuing a certain number of its shares at a premium a certain time after the company has been formed?—Provided the shareholders were duly informed of it.

1036. Supposing it were done with the assent of a general meeting, would you think it desirable that the law should interfere to prevent it?—No; I can quite understand cases where it is *bonâ fide* and straightforward to reserve a certain number of shares in a company with a view to issue those shares at some future time, most likely at an advanced price, and provided that the shares are issued in pursuance of some public resolution, with a proper explanation of the circumstances; I do not regard that as objectionable.

1037. Then, in point of fact, all that you would suggest would be, that the law should, if possible, interfere to prevent a company from dealing, and, in fact, speculating in the market in its own shares?—From dealing, trafficking, or speculating.

1038. But do you not think there might be very considerable difficulty in the law enacting that, and at the same time allowing such operations to be done as legitimately might be done?—I think the Committee would find that the technical difficulties were less than they appear at first sight; the meaning of the words "dealing, trafficking, and speculating," are, for practical purposes, I think, tolerably well understood.

1039. But supposing that the articles of association permitted a company to traffic in its own shares, do you think it is the business of the law to prevent individuals from taking shares in a company, these individuals being informed by the articles that that is one of the company's objects, or one of its powers?—Yes; I am inclined to think that the law may fairly say to a company, "You shall not traffic or deal, or speculate, in your own shares; you are not set up for any such purpose," because a board of directors trafficking, or dealing, or speculating (I rather adhere to those words) in its own shares, are dealing with the public on very unfair terms; the board of directors have got all the facts within their own knowledge, and the public on the outside are not in possession of those facts.

1040. Then you think that this is a case in which it would be advisable that the law should protect the shareholders against a bad investment by not allowing them to enter into a company which should have that in its articles of association, and which therefore said that that was one of its objects?—I should rather put it upon the ground of protecting the public, because cases are quite possible, and by no means uncommon, in which a company owning, dealing, and trafficking in its own shares has not hesitated to make a market for those shares by putting forward a balance sheet which is not justified by the facts, and by putting forward a report which is still less justified by the facts, the combined effect of the balance sheet and the report being to create a state of things of which the parties took a very unfair advantage, and the mercantile public, under those circumstances, were neither more nor less than robbed.

1041. That is a case in which you would protect the creditor?—That is a case in which I would protect the public.

1042. The public being the creditors?—Yes; on the principle on which the law makes it penal for a man to put forward a false statement as to anything which he has to sell.

1043. There is this difference, is there not: that in the one case the law punishes the man for the false statement, and that in the other the law would try to secure the creditor against the consequences of his trusting a company, as to which he had not sufficiently informed himself?—Yes; under the particular circumstances the law has the opportunity of taking a more direct course, and of preventing the occurrence of the mischief.

1044. Mr. *Goschen.*] Do you consider it is a further objection to a company buying shares, that if there is any unpaid capital the company itself is liable on those shares, so that the liability would be transferred from the shareholder to the company?—That is perfectly clear.

1045. From that point of view all that portion of the liability which rests on the shares in the hands of the company would be no security to the public at all?—Quite so.

1046. Mr. *Kirkman Hodgson.*] As has happened in the case of Barned's Bank.—Quite so; and in a great many cases which I am sure the Honourable Member will recollect.

1047. Mr. *Goschen.*] Therefore it is, in fact, departing from the general principle in a case where the shares are not fully paid up.—Quite so.

1048. Mr. Alderman *Salomons.*] Do you mean that you would prohibit entirely any board from buying

buying or selling under any circumstance?—The Honourable Member for Bradford has put some ingenious cases, going to show, I think, very plainly, that, under certain contingencies, a company can hardly prevent itself from coming into possession of (I will not say from buying) certain of its own shares. The cases raised by the Honourable Member for Bradford seem to me to be fair cases as to which a company ought not to be prohibited by law. As regards buying, I should regard a company buying shares in the market as trafficking and speculating in the shares of the company.

1049. My reason for putting the question was this; there was a case, which was very well known, no doubt, to you as well as to others, in which a company was supposed to have bought its own shares, to defeat a great speculation which was carried on against it; would you have a general prohibition by Act of Parliament, preventing a company from doing that?—I think so; I think that by Act of Parliament a company should be prohibited from buying, dealing, trafficking, or speculating in its own shares, or whatever the best form of words might be, as advised by competent legal authorities, of which I certainly am not one.

1050. Mr. *Goschen.*] Have you heard of practical cases of abuses having arisen from such operations?—I hardly ever heard of any good coming from companies dealing in their own shares; the result has always been the opposite way.

1051. Are you acquainted with Table A of the Joint Stock Companies Act?—Yes, that contains the skeleton articles.

1052. Is it generally adopted, or generally excluded?—I should think that, as a rule, it is excluded.

1053. Therefore, so far, it has only served as a model; but practically, one of the first things the company does is to exclude Table A?—Yes, if I might be allowed to express an opinion, I should say that Schedule A to the Act of 1862 might be cancelled with a very considerable advantage.

1054. Do you know whether or not the question of a company's dealing in its own shares is in Table A?—I think not.

1055. Do you think that it is easy for a company to define very strictly and accurately, the objects of its incorporation in its memorandum of association?—I think that the company should be required to define very accurately and precisely what their objects are.

1056. The Honorable Member for Bradford asked a question with regard to that, and intimated that a previous witness had recommended, that if there were any departure from the objects of the memorandum of association, then the promoters or directors should be punished; do you think that in all cases it would be easy to decide whether any transaction comes, or does not come, within the scope of the objects of the association?—It must be left to Westminster Hall and to the Courts to decide what is the proper construction of a contract set up between the directors and the shareholders. As regards directors being punished, there have been some very severe cases of directors being punished. I know at this moment a case which is now pending, where, in consequence of directors exceeding the objects of the company as defined in the memorandum of association, six gentlemen will have the pleasure of paying 80,000 *l.*, which is a punishment they are not likely to forget.

1057. Therefore you think that in that respect, there is already some protection for the shareholders in the law as it stands?—My impression is that the law as it stands affords very efficient protection to the shareholder in all cases where the objects of the company as defined in the memorandum of association have been exceeded. Whilst I am speaking upon this part of the case, I would venture to say that I should think it very undesirable that any interference except of a limited character should take place with the phraseology and the construction of the Act of 1862, because we have now had five years' litigation under that Act, and the meaning and bearing of the Act is in course of being very rigidly settled by the operation of the ordinary Courts of Law.

1058. Then would you incline to leave the clauses as regards the memorandum of association as they are?—I should.

1059. You do not think that they have led to abuses?—I think not.

1060. With regard to another part of that same portion of the Act as to the number of shares taken by original subscribers, at present seven men can take one share each and incorporate the company; would you alter that in any way?—I would rather have the case as it is.

1061. You would not throw impediments in the way of the formation of a company?—I think not.

1062. Would you make some provision to prevent companies being formed without there being any guarantee that they would be carried out?—I think not. Nobody is bound to trust them, and nobody is bound to take shares in them. If a company is registered by seven people of no character, nobody trusts them; if it be registered by seven people of good character a great many people do trust them.

1063. Mr. Alderman *Salomons.*] Do you not think that the directors ought to hold a *bonâ fide* interest, and that it should be one of the conditions of the Act that they should not have shares given them, they having no interest in the company when the company is formed?—That might be a very important consideration for shareholders, but I do not think that the Legislature are called upon to consider it; besides which, who is to determine what is the *bonâ fide* holding of a director? It is true that he may have the shares in his own name, but somebody may have lent him the money to pay for them, or he may have given a promissory note for the calls. It is impossible so to define the phrase "*bonâ fide*" as to take care that a man has put in either 1 *l.* or 20 *l.*, or any other sum of his own money.

1064. You know that in some companies the directors are qualified, and you do not think that we could legislate in any way to insure *bonâ fides* in that respect?—I think not; I think that the legislature have nothing at all to do with it. Whether the people who sign the memorandum put in a farthing or half a million is quite immaterial to the law.

1065. Mr. *Kirkman Hodgson.*] I understand you to state that the less the Legislature interferes with these companies, and their articles of association and their dealings, the better?—Certainly. The moment the Legislature takes upon itself the function of finding common sense for mankind it does a great deal of mischief.

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1066. Mr. Alderman *Salomons.*] That rule would apply to matters which the shareholders themselves might know by examination; but how would they know, when a company is started, whether or not the directors are qualified, and whether or not, therefore, they have any real interest in the concern?—The shareholders must judge of the character of the directors. If a person is foolish enough to take shares in a concern about which he knows nothing, and about the directors of which he knows nothing, he must take the consequences.

1067. Mr. *Finlay.*] Is it not the case that the shareholders have very little power in electing the directors at present?—Then that is their own fault.

1068. But, according to the articles of association, which I see here, "The promoters of the company must be the directors for the first year"?—But those articles of association are not obligatory; it is quite optional to a company to adopt those articles.

1069. Mr. *Kirkman Hodgson.*] Have you looked at all into the question of the remuneration and the powers of liquidators?—I have no personal knowledge of the liquidation of companies; but, in common with most people in the City, I hear a great deal about the liquidation of companies, and a very great deal about the enormous charges made by the liquidators of companies, and the powers which they exercise in a variety of ways; so much so, indeed, that during the last five or six months one has been inclined to say that the constitution of the country consists of four parts, Queen, Lords, Commons, and liquidators of public companies.

1070. Mr. *Goschen.*] With regard to the responsibility of directors, do you think that you would get a better class of directors if you were to increase their liability, and make them more personally responsible than they are at present?—No; I think you must leave that to be settled between the directors and the shareholders themselves. I should be very glad if the Act of 1862 could be so changed (I believe it cannot be done under the Act as it stands) as to permit persons at their discretion to adopt in this country the French plan of *commandite*, where the *gérant* is responsible to the whole extent of his means, and the directors are, in truth, a board of consultation. There are many cases where a mode of management of that kind would be advantageous, and I think the public should have the fullest opportunity of adopting that mode of setting up a company, if they think well.

1071. But in that case the *gérant* would not be what we popularly call a director here, but a managing director, a man who gave up his whole time, probably, to it?—Very likely.

1072. Mr. *Kirkman Hodgson.*] With regard to the present power of a shareholder, or of a man not really a *bonâ fide* shareholder, but who buys a few shares actually for the purpose of winding up a company, it has often happened that a man who wishes to destroy the prospects of a company buys five or six shares, and presents a petition for its winding up; have you thought of any means by which that could be avoided?—There have been a few cases of that kind, where it has been made apparent to the Court that the man's motive was mischief, or the exaction of hush-money. The Court interfered, I think, in one case distinctly, and left him to pay all the costs, and some other serious expenses.

1073. You think that is sufficiently protected by the law as it stands?—I think so.

1074. You would not interfere with it further?—I think not.

1075. Are you aware that on the Continent in many companies, those only are entitled to interfere in such a manner who hold a certain stake in the company?—I think that probably the law might go so far as to say that it should require more than one person. It ought to require probably three or four persons to concur in an application for winding up, which is a very serious thing. There doubtless have been a considerable number of cases where proceedings for bringing a company into the Court have been set up as speculations of the worst kind; for the purpose of extorting money, or for malignant purposes. It would be reasonable there, I think, that three or four, or probably five persons, holding some reasonable number of shares, should concur in an application of that sort.

1076. Mr. *Goschen.*] The power of the shareholder is enormous in that way now, is it not?—Yes; as the law stands now, I believe a single person can apply to have a company wound up, and that, I think, is rather too strong.

1077. Mr. *Stephen Cave.*] He must show good cause, otherwise he is liable?—Yes; some time must necessarily elapse between the time of a man giving public notice, as he does now, that he intends to apply for a winding-up order and the time of the company's answering that order. I think they are entitled to require that more than one person should concur in applications of that sort.

1078. Mr. *Kirkman Hodgson.*] In the meantime, of course the company suffers materially in credit and position?—Yes; in some cases it might go a long way to bring the company into difficulty.

1079. Mr. *Stephen Cave.*] That would be worse, I suppose, than what they call "bear" sales of shares?—Yes.

1080. Mr. Alderman *Salomons.*] I think I understood you to state that you think, when a company is established, the shareholders ought to have the articles of association sent to them?—Yes.

1081. Would you bind a man to his original application until he has seen those articles of association?—My suggestion was, that a copy of the articles of association should be sent out with the letters of allotment, which would, I think, cover the point which the Honourable Member raises.

1082. What you mean to say is, that parties should see, as much as they possibly can, to judge for themselves, and that they should be bound not to rely upon the law to release them?—Yes; stated generally, that is my view.

1083. With regard to this question, I beg you to consider it, because it is a very important point, and one which has given rise to great litigation; should not the law be, that a person who has bought shares ought to be compelled to register them within a very limited time?—Yes; I think the law may very fairly compel a person who buys shares in the open market to register them.

1084. That is when he has bought and paid for them?—When he has bought and paid for them.

1085. And that if he did not register them he should lose his money, or that there should be

be some heavy penalty. Supposing I sell shares to you and you have paid me for those shares, should you not, by law, be compelled to register them, and release me from my liability within some reasonable period?—I think the seller ought to be released from his liability, and that is the whole intention of the contract. A man sells the shares because he wants to get rid of his liability, which he has ceased to be desirous of retaining.

1086. The man having bought the shares and paid for them, should not the law be such, that he should be compelled to register them, so as to release the seller from responsibility?—I think so.

1087. I think, if I understand you rightly, you would say that companies ought to publish the lists of the shareholders periodically with the holding of every shareholder?—Yes.

1088. Do you not think that that would be very inconvenient?—I think not. Anybody can get it now by giving himself the trouble of going to the office of the registrar of joint-stock companies, only he has to pay a considerable sum for it, and to submit to a good deal of inconvenience.

1089. Why should a man be able for one shilling to buy a list of all the shares held in an open company, any more than any private company; in the case of an incorporated company, perhaps the lists ought to be published, and state those who are qualified directors, as in the case of the Bank of England and the East India Company; but why should a man be able to get a list of the holdings in a company, and circulate it all through the land, possibly to the discredit of some individuals who may be holders in the company?—I do not see that any harm could arise to anybody by having a list of that sort printed and circulated; in fact, I have known it done in a great many cases with advantage.

1090. A company being insolvent, of course the case is different; but take the case of Overend and Gurneys', which is so well known; suppose they had been 10 years in existence, instead of six months, why should every man be able to parade through the land who were and who were not shareholders of that Company?—At the present time, the names and addresses of shareholders in the joint stock banks are published in the London Gazette.

1091. But not the holdings?—Not the holdings.

1092. The names of those published who are qualified, up to 50 shares; should there not be the same rule with regard to other companies?—I do not see any good reason for withholding the statement of the holding.

1093. Mr. *Kirkman Hodgson.*] In a limited liability company it is almost necessary to have that, is it not?—I think so. A limited liability company trades upon publicity. The whole essence of limited liability is publicity. They are compelled to publish their accounts and their reports, and to register their shareholders, and so on. That being so, the more effective the publicity is made, the more completely the intention of the Act is carried out.

1094. Mr. *W. E. Forster.*] Is it not the case generally, that in limited banks there is uncalled-up capital?—Certainly.

1095. Is it not probable that the creditors of those limited banking companies rely, to some extent, upon the uncalled-up capital of the shareholders?—Yes.

1096. Is it not also probable that if they knew that very rich men were shareholders they might be misled as to the resources of that bank, if they were not able to find out how few or how many shares those individual shareholders possessed?—I think so.

1097. Then, is there not this very great difference between a limited company and an unlimited company, that in the one case each shareholder, however small his shares may be, is responsible for the whole of his money, and in the other case he is not?—Yes.

1098. And therefore that is all the greater reason why the public should be better able to get at the amount of shares held by the shareholders in limited companies than in unlimited companies?—I think so.

1099. Mr. *Graves.*] Would you consider it necessary, in the case of a company with the whole of their capital paid up, to publish annually a list of their shareholders?—I think not. As I have suggested before I should be glad to see the law so altered, that so soon as the shares in a limited company have been paid up, they should be made transferable to bearer.

1100. Mr. Alderman *Salomons.*] Supposing that the whole of the capital of a company is paid up, and a man holds 1,000 shares, or 10 shares, you need not publish the holdings of those people?—I think not. The moment all the capital is paid up, the public know they are trading with a company which has a certain amount of paid-up capital, and has no recourse against A., B., C., or D.; it therefore becomes entirely immaterial to the public, or to the creditors of the company, in whose names the estate of shares may actually rest.

1101. You think, then, the unpaid part of the capital in a limited company is an element of credit which the public ought to know?—Quite so. It may be worth much or little, but the public must form their own opinion about it; and if the public are invited to deal with a company upon the strength of its uncalled capital, they ought to have the means of knowing the quality of that capital. But I have a strong opinion in favour of making the shares in limited companies transferable to bearer when they are all paid up.

1102. Mr. *Lowe.*] You complained of the damage that might be done to a company by an unfounded or frivolous petition for winding it up; did you not?—Yes.

1103. That is done under the 82nd section of this Act, by a petition being filed in the Court of Chancery, some time before it is heard?—Yes.

1104. So that injury is done to the company by keeping those proceedings pending before it can be heard?—I know at this moment a case of a company, with *bonâ fide* capital, where a certain shareholder holding four or five shares filed his petition a fortnight ago. The fortnight has gone by, and I dare say another fortnight must go by before the company have the means of replying to that petition. I believe they have a thoroughly sound defence, but in the meantime they are subject to very great inconvenience indeed.

1105. Would it not be better, or would it be better, that instead of the person who wishes to get an order for winding up a company, filing a petition in this way, his first step should be to apply to the Court for an order *nisi* on affidavits?—I do not know sufficient of the technical working of the Court to be able to express an opinion about it.

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1106. The effect would be this: that the Court would make the order only upon being satisfied upon affidavit that there was a *primâ facie* case for it?—I think there is considerable force in the suggestion made by an honourable Member to-day, that more than one member of the company should be required in taking so formidable a step.

1107. But if they only held one share a-piece, it is not much security, after all; is it?—You get five people instead of one.

1108. But does not the security lie rather in the amount of property that you may injure by the application than in the number of persons?—Yes. I think it might reasonably be required that the application should be made by some persons holding a larger amount than one share; it may be five or ten shares; but still I think the law at present is rather hard upon *bonâ fide* concerns.

1109. Mr. Alderman *Salomons.*] They should not go into the market and buy them, I suppose; they ought to hold them for some time?—I think it would be a reasonable stipulation that they should be held for three months, or something of that kind.

GEORGE LATHOM BROWNE, Esq., called in; and Examined.

G. L. Browne, Esq.

1110. *Chairman.*] ARE you a barrister, and are you intimately acquainted with the working of the Act of 1862?—I am.

1111. Have you also been a shareholder and director and liquidator?—I have had experience of the Act in every capacity, I believe.

1112. Will you be kind enough to inform the Committee in what respect you consider that the Act of 1862 has been found to fail?—I think that the Act of 1862 was based upon the principle of entire freedom of contract between the partners in companies which were to be established under it, subject to this condition, that there should be such a publicity of the terms of the contract that every one who was to be a partner in it, and every one who was to deal with the partnership, should be able to know the terms on which he was engaging in the affair; and I think that there is a want of machinery in the Act to insure that publicity which, I believe, it was the object of the Act to insure.

1113. Will you suggest the remedies which strike you in order to cure that alleged defect?—The first remedy which I would suggest is to revive the power which was in the registrar under the Act of 1844, the 7 & 8 Vict. c. 110, of certifying that the memorandum and articles of association (it was the deed of settlement in those days), which have now taken the place of the deed of settlement, are consistent with the statements in the prospectus, which is the invitation to subscribe, and that they also contain certain conditions which I believe to be necessary for properly working out any operations under the Limited Liability Act.

1114. In point of fact, you would make it compulsory upon the registrar?—I would make it compulsory upon the registrar.

1115. Would you also make it compulsory upon the promoters of the company to obtain the registrar's certificate?—Yes, I would make it compulsory in this way; that no company should be allowed to be incorporated until the prospectus and the memorandum, and the articles of association, have been submitted to the registrar; and I am very glad to see that in a very late case, last week, Lord Cairns has thrown out the same suggestion, saying "that it is to be much regretted that the legislature has allowed companies to invite subscriptions for shares previously to the memorandum and articles of association being registered."

1116. Then you would, in fact, forbid the publication of the prospectus until the memorandum and the articles were not only registered, but certified?—Exactly; I do not know whether the Committee are acquainted with the old Act of 1844. In the schedule to that Act there was a Table (A.), in which it was laid down that there should be certain pre-requisites in every deed of settlement, one of which was that they should contain clauses regulating the borrowing powers of companies; and by the eighth clause of that Act, the registrar's duty was to certify that all those conditions had been complied with; and if they had not been complied with, either by incompleteness or by excess, he refused registration. I think you would not be interfering with the liberty of contract (which I should be the last person to suggest), if you re-imported those old conditions. There is one point to which I think, perhaps, the Committee have hardly had sufficient attention called, and that is, the extraordinary conditions which you find in the articles of association; I speak from having perused a large number of them.

1117. Do you mean as regards their variety, or their peculiarity?—Their peculiarity. The Committee will, of course, allow me to conceal the names, but I will give one or two instances of existing companies; which I think will convince the Committee that there ought to be a power in some officer to insure, not the striking of them out, if people choose to submit to them, but their being made so public that every man may know that they are there. I looked over nearly 40 articles of association only two days ago, when I was coming here before, and in the great bulk of them there appeared to be unlimited powers to the directors to accept any quantity of bills or to indorse them, and also unlimited power to borrow on debenture or on bond, besides in very many, the power of increasing the capital without the shareholders' consent.

1118. Were those companies doing business in banking or a business analogous to banking?—Those companies included mines, banking, machinery, manufacturing, and everything else. I shall be happy to show the Committee the list afterwards, if they like, but as there are existing companies among them, of course I should wish not to mention the names in public. If the Committee will permit me, I will read an extract from the articles of association of an existing steam navigation company. Now, in the prospectus of that company, I have reason to believe that there was not one word said of the following powers. "The capital of the company shall consist of 2,000,000 *l.* sterling, divided into 20,000 shares of 100 *l.* each. The directors shall issue such capital, from time to time, at their own discretion, as they shall think fit;" and then it goes on to give power to the directors (especially), without requiring any consent of the company, or of any of the shareholders.

holders, to increase the capital to any amount not exceeding 4,000,000 *l.*

1119. Do you mean that they are articles giving that power in words, and that those articles being adopted by the company, they would have that power?—Unfortunately they are so, and would have that effect; and then as if that was not enough, the clause went on to enact that, "The directors may at any time or times, after such increase of capital to four millions, of their own discretion, and without requiring any consent of the company, or any of the shareholders, increase the capital to any amount not exceeding eight millions;" and at the same time this company had unlimited powers of accepting, endorsing, and making bills of exchange.

1120. Then in reference to the power of the registrar, would you propose either to compel him, or to authorise him, to give a certificate as to the truth of the statements in the prospectus?—Before going to that point, I would make it absolutely indispensable that he should see that the prospectus stated the substance of the articles, and therefore that, in the case which I have just mentioned if he found that the prospectus merely said that there were to be two millions of capital, with power to increase, he should compel the promoters to put in it the conditions I have just now read to the Committee, in order that people might know that they were in the hands of the directors at any time to quadruple that capital.

1121. In point of fact, do you think that the prospectus and articles of association should be reflections one of the other, or that they should be consistent with each other?—The law says that they must be so, in order to make a valid contract.

1122. But the registrar would have no power to ascertain the truth of the statements in a prospectus; he might see that they would be consistent with the articles of association, or the memorandum, but how could he certify to the truth of any particular statements?—I do not propose to make it obligatory that he should certify the truth of the statements; but I do propose to make it obligatory that he should certify that the statements in the prospectus agree with those in the articles themselves; that is, that he shall certify that the prospectus does fairly state what are the powers and what are the terms of that contract.

1123. Would not that be secured by making it obligatory to attach to the prospectus, when it is printed, a copy of the articles of association?—I dare say that the Committee have seen many articles of association; they are voluminous deeds, extending generally to nearly 200 sections, and, as a lawyer, I am bound to try and understand them; but I think that, able as the Honorable Chairman is in these matters, he would be very much puzzled in many cases when he had read through the 200 sections to know what was the object of them.

1124. Then the registrar might perhaps be in the same awkward position as myself, might he not?—Then the registrar ought to be a person capable of doing it; there is a very simple remedy for that.

1125. Is there not a fundamental difference between companies established under the Act of 1862 and friendly societies, which, after all, consist mainly of poor persons without very much education or means of protecting themselves?—No doubt there is a considerable difference; but I would suggest that the object, as I take it, of the Act of 1862 was to invite the capital, not of great capitalists, who are perfectly capable of taking care of themselves, but of small capitalists, who are not so capable of taking care of themselves, and certainly not so capable of understanding long legal documents. But I would call attention to another point: I have before me the articles of association of a company which is in action now, and in which there is such a misleading misstatement in the marginal note, that I think it should have been the duty of some public officer to have had it corrected before he allowed the company to be incorporated.

1126. Will you give that instance?—The instance is this: It is under the issue of further shares and increase of capital. The marginal note to one section says, "The company may increase the capital," and to the next section it says, "Increased capital to be raised as extraordinary general meetings shall direct." The clause says, first, "The directors may from time to time increase the capital to the extent of 1,000,000 *l.* in addition to the present capital." The next clause says, "The increased capital shall be raised from time to time in the number of shares and of the amount and value, and on such conditions, with or without any special privileges, as the directors shall think fit."

1127. Mr. *Goschen.*] You do not think that that was an oversight?—I hope that it was, but I am not bound to express an opinion; if it was an oversight, surely before so solemn an act is done as incorporating a company, there should have been somebody to look through this and say, "This is an oversight; have it corrected."

1128. *Chairman.*] In fact, you contend that, as a matter of practice, the shareholders have not the means of investigating those things for themselves, and that therefore the public officer, whose present duty is merely to register as a ministerial officer, should have an extended power, under which he might see that you registered an honest document, so far as his means of ascertaining might go?—Certainly. I do not suggest more than that; but I do suggest, as probably the Committee are aware, that there should be a power in the registrar, if called upon, and evidence being furnished to him, to certify to the correctness of the statements in the prospectus; I would not make it obligatory; I think that its being optional would be a quite sufficient safeguard.

1129. You think, if it were optional that the registrar should do it, every company that did not avail itself of that sort of certificate would not stand in the same position as others?—I think so.

1130. And that is all that you propose to do?—I propose to make the one obligatory and the other optional.

1131. Then as to the borrowing powers which are authorised, what is your opinion?—I do think that if it is advisable in the case of a company which is incorporated by a special Act to limit its borrowing powers, it is most advisable that that should be done also in the case of these companies.

1132. Will you explain why?—One great reason is this: people have got accustomed to what I call statutable debentures; that is to say, debentures under special statutes of incorporation. The debentures of limited liability companies are in the same form externally, and

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people have been led to believe that they are of the same value. Subject to higher legal opinion, I venture to say that they are of no more value than the promissory notes of the company that issues them, because they are not created by statute, and they have no preferential powers under statute. They are simply arrangements as between the shareholders themselves, and therefore against creditors they are of no preferential value. Great discredit has been brought upon debentures generally by the unlimited powers taken under the Limited Liability Act, of issuing any quantity of debentures and bonds at any time the directors think fit.

1133. In what way would you propose to restrict that power?—I have lately seen a new Act of incorporation which has passed the House of Lords, in which the borrowing powers are restricted to one-third of the paid-up capital for the time being; and I think that would be a very fair restriction.

1134. You propose a limit, and you suggest that one-third would be a fair limit?—I think one-third would be a fair limit; there is no objection to its being carried further; but if one-third has done so well, as I understand it has done in all previous cases, I do not see why it should not be adopted here.

1135. How would that apply to bills and acceptances; would you limit those?—That is a very difficult question indeed; I wish they could be limited, for they are the real ruin of companies.

1136. You consider that they ought to be limited; can you suggest any mode by which it would be possible to do so?—I cannot. I can only suggest that if the power is taken, it should be made public on the face of the prospectus, so that every man may know the risk he is incurring; because I am sure every man connected with those companies must know that during last year the bills of companies were flying about in a manner that was perfectly frightful.

1137. You do not think it possible to limit bills and acceptances unless you, in some way, can limit the amount of trade that they have to do?—I do not think it is possible; I think it might be made obligatory that they should be confined to trade purposes, which is not the case now. By the articles of association the power of acceptance is quite general, and is not confined to trade purposes; if it were confined to trade purposes, that might perhaps have some good effect.

1138. You think that borrowing powers should be, as in the case of railways for instance, restricted?—I think it should.

1139. As to the reduction of capital, it was suggested to the Committee that it would be salutary to give companies limited by shares a power of reducing their capital, as they have now power of increasing it; would you make any suggestion upon that?—So far as the mere subdivision of larger shares goes, I cannot conceive any objection to it; and I can only fancy that in the 12th section of the Act, the power to subdivide as well as to consolidate the capital was omitted by accident; for it stands to reason, that to divide a share of 100 *l.* with 10 *l.* paid up into 10 *l.* shares with 1 *l.* paid up on each, is rather an extension of the security than a reduction of it. When, however, you go beyond that, and propose actually to reduce the balance of liability existing on a share, because you say that you now know that you will not want so much capital, I think you come upon a very different question indeed, and one that is probably very dangerous; because the Committee should remember that the object of these large 100 *l.* shares, when they were first brought forward, was partly a very bad one; it was much easier to get 5,000 shares of 100 *l.* each subscribed for, and run up to a premium when a company was brought out, than it was to get 50,000 shares of 10 *l.* each subscribed for. Promoters made use of that power when it suited their purpose, and now that the public are frightened at the liability, they wish to get rid of the machinery which they then used; and if the company which they have established is a solvent one, then they have adequate machinery for doing so now by means of voluntary liquidation.

1140. Then you think that there should be no power given to companies under those circumstances to reduce their capital, except by the process of liquidation?—I should have no objection to the power being given if sufficient protection is given to all creditors, and to all dissentient shareholders. That power is now given by voluntary liquidation, because so far as the creditor is concerned he must be settled with in some way or other before a company can be wound up; and as far as the dissentient shareholder is concerned he has power of giving notice that he will not join the reconstructed company.

1141. Subject to the consent of the shareholders, and a proper provision for the payment of debts, you do not consider that there is any objection to that plan?—Not the slightest.

1142. But without that you would consider that there was an objection?—Certainly I would.

1143. Then what is your opinion as regards the form D.?—I do not know whether the Committee have ever had their attention called to the fact, that by the 32nd Section it is ordered that a certain form, called Form D, should be exposed in the offices of certain companies. If the Committee will turn to the Schedule, Form D, they will see that that form gives an opportunity of displaying the exact position of the company at the time; it shows its liabilities, its debts under different heads, debts on judgment, on specialty, on notes or bills, on simple contracts, and on estimated liabilities; and it shows its assets. That form is complied with by banks, and is generally on a small piece of paper, which is usually put behind the entrance door. That is not giving very great publicity to it, but I think that if that form was extended to every kind of company, and they were not only compelled to print it and hang it up in their office, but to advertise it in a daily paper, it would act as a very good warning to the shareholders as to the real state of the company.

1144. You think the element of publicity, which was the main condition of the Limited Liability Act of 1862, would be better and more thoroughly served by this alteration being made?—Certainly. I can see no objection to it; it is a half-yearly return of the state of a company; if they are in a bad condition, the sooner it is known the better; but if they are in a good condition, it can do them no harm, and it must be a great satisfaction to a man to have some idea of the way his company is working.

1145. In fact, you mean that you would advertise

tise the state of all companies every six months?—Yes.

1146. Then what is your view with regard to section 35, which involves what I think you have called a multiplicity of courts?—It is a very serious section. It has been lately decided by the Lords Justices, that in the case of a mining company within the Stannaries Jurisdiction, there are actually eight courts, in any one of which a company or a shareholder may go to have the register rectified. There are the three courts of common law, there are the four initiatory courts of equity (the three Vice Chancellors, and the Master of the Rolls), and it is now decided that the jurisdiction of Stannaries Court is not exclusive but co-ordinary with them. Consequently there are eight courts, in any one of which, in the case of a Cornish mining company, you might go and apply to the judge to take up the very serious question of the rectification of the register in your own case; and the result has been in a great number of cases, that we have most contradictory decisions, especially on one point, as to questions of costs. I will not go into details, but the Committee may take it from me, the three Vice Chancellors and the Master of the Rolls are pretty nearly at issue with each other, as to the costs of those applications; and also within the last week the Lords Justices are at issue as to the operation of the clause itself altogether. Lord Cairns confining it to cases where the company has made default, and Lord Justice Turner going with the Master of the Rolls, to the extent that it actually gives power to a single judge to go into question of title to shares. Now I heard an objection taken before this Committee the other day, that if the initiatory steps taken under this Act were confined to one court, it would be limiting the right of the subject, but surely it would be better for the subject to have a certainty of the nature of the decision which he would obtain from one court, than to be put to the doubt which he is now put to as to the sort of decision he might get in one or other of the eight courts.

1147. Following your objections to the multitude of courts, would you suggest what you propose as a remedy for that evil?—I am not quite certain, but I think the remedy is really within the power of the Chancellor. I believe he has full power of ordering any particular cause when it is once entered to be transferred to one particular court; but if it is not so I would have all applications of every kind under this Act limited to one court of equity. Either the Act itself might point out the court in which the applications should be made, or it might be left to the Chancellor, for the time being, to say, "All cases under the Limited Liability Act shall go to Vice-Chancellor Malins, or to the Master of the Rolls," or to whichever of the four courts of chancery he might select.

1148. I do not give an opinion upon the subject, but how would that operate where there is such an enormous pressure of business, as in the last year we have had in those courts?—It would operate in this way; that that court would confine itself (and it would be a very good thing if one court would do so), to work under that Act. I was only looking at the list of cases under this Act yesterday, set down for hearing in the chambers of the Master of the Rolls. There were no less, I think, than 38 applications before the Chief Clerk of the Rolls yesterday, beginning from 10 minutes to 11, in the morning, to three o'clock in the afternoon, as to limited liability companies; and therefore I conceive that there would be ample work for one court to confine itself to all cases arising under the Limited Liability Act; that is the suggestion which I throw out.

1149. Then we come to a very important matter; the matter of winding up which is affected by sections 79 and 80?—The Committee have already had their attention called to what are very much my views in that matter, namely, the abominable power (for there is no other word which I can characterise it by) now exercised by fictitious creditors in extorting payment under the threat of advertising a petition to wind up. I have, myself, had instances before me which I can only characterise as deliberate extortion. A man comes and says, "If you do not pay this claim there is your 21 days' notice, and on the 22nd day I will advertise this petition." He knows at the time that he has not a leg to stand upon, and that if he dares to prosecute that petition he will be mulct in costs, but generally being a man of straw, that is nothing to him; but even if it was, it is no recompense to the company, whose whole credit has probably been damaged during the time that that petition was advertised, by the fact of its appearing day after day in the papers.

1150. Then, I suppose, he has power to advertise his petition before he make a *primâ facie* proof of his debt?—He must do it. There are orders of the Court of Chancery for carrying out this Act, which make it imperative that every petition shall be advertised for seven days before it is heard; and, therefore, he must advertise it or else he loses his right.

1151. Can you give any instance of particular abuse in this matter?—The Committee have had one or two instances given them, which are perfectly true, and it also applies to the case of a shareholder having this power of holding a threat over his directors, and declaring that if they will not pay him out, he will move the court, on the ground that it is just and equitable that they should be wound up.

1152. At present, any person claiming a debt of 50 *l.*, or any holder of one share, can petition to wind up the company, and advertise his petition, can he not?—Yes.

1153. In what way would you propose to alter that?—I think that you should adopt, in the case of a creditor, very much the same process as is adopted in bankruptcy, namely, that he should be compelled to satisfy a judge in chambers that he has a *primâ facie* case before he is allowed to take any public step, and that the company or whoever is the party likely to be injured should have an opportunity of attending at the hearing, and if they dispute the debt, either to tender the amount, and pay it into court, or to find security for the proper payment of the debt and costs, the judge having the power, at the same time, to compel the man who has brought this process to find security for going on with the action.

1154. So much for the creditors. Then, with regard to the shareholders, what alteration would you recommend?—With regard to shareholders, I should think that it would be much the best to limit their powers on the same principle as regulates their right of applying to the Board of Trade to inspect the state of the company. I think it is in that case provided that an application for

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inspection by the Board of Trade must be made by persons holding one-fifth of the capital of the company. If it was conceived to be advisable that there should be that limit in such a public examination as that by the Board of Trade, I think you might safely say that it would not be an unjust limit for a more public application to a court to wind up the company.

1155. Then you would, in fact, prevent shareholders from applying to wind up their own company, unless they got a certificate from the Board of Trade that they ought to do so?—Not quite that, but unless they hold as great an interest as the Board of Trade requires them to hold before it will institute an examination into their affairs. I do not care what it is.

1156. Some substantial holding in the company?—Quite so.

1157. What is your view with regard to the expense and delay of compulsory winding up?—It is impossible, but that it must be both expensive and dilatory. The official liquidator cannot move a step without the sanction of the chief clerk, and the chief clerk cannot move a step without notices to every person interested. The result is, as I stated just now, that there were on one day 38 applications in the Rolls Court by different companies to get the chief clerk to attend first to Company A, and then to Company B, through a long day's work, and the expenses unavoidably piled up in that manner are frightful. It is in the hands of the Committee to arrive at a complete idea of the expensiveness if returns were moved for, which could be obtained through the House of Commons, as to the liquidations which have taken place; returns showing the numbers and names of the companies, the names of the liquidators, the commencement of the liquidation, and the expenses of liquidation; and I would separate in those expenses the legal expenses, because they are, next to the expenses of the official liquidators themselves, the most serious drag upon the companies.

1158. I presume that all this process requires that every step shall be done by a legal person?—Every step. The official liquidator, as now appointed, is, I dare say, a very clever and very good man; but he is a public accountant, and he says, very wisely, "I know nothing of the law." When the first difficulty arises, he goes to his solicitor, and the solicitor says, "I doubt." And he goes to his counsel, and we know the result of all that when it is repeated over and over again.

1159. Then you consider that compulsory winding up is unnecessary in any case except that of fraud?—I think that in fraud it might be retained; it may be advisable that the court should have a very great power in such cases.

1160. Then, what you suggest would be the cheapest mode, and the shortest, in point of time?—I take the view of Vice Chancellor Page Wood, that no form of liquidation is so good for all parties concerned as voluntary liquidation under the supervision of the court. The process of arriving at that is for the company to come and wind itself up voluntarily, and appoint its own liquidators, and then for the liquidators to apply to the court to be put under its supervision. They never need go to the court if they feel themselves competent to carry out their own work; but if they doubt at all, they can go to the court and get the necessary assistance, and, I think, whatever is required to be done, except in serious cases of fraud, might very well be done under that process.

1161. What course would you take in amendment of the present law, as to facilitating the operation of creditors in winding up?—I would not give them further facilities than they have at present. I do not want to limit their right to apply to wind up, but I want to limit their right of advertising their intention of doing so. I would not take away the power which they now have of applying if the company is indebted to them to the extent of 50*l.*

1162. But what is your opinion as regards representation in the winding up of companies?—If I might be allowed to suggest a form in all cases, it would be this: that the company should first appoint its own voluntary liquidators representing the shareholders, that it should then go to the court and ask to be put under its supervision; and that being done, the court itself should say, "You must call a meeting of your creditors, and offer them the option of appointing another liquidator." I think that it would be a very good thing indeed if that was made almost obligatory; but I think there is another mode of assisting liquidation in a point in which it really does want assistance, and that is by making official liquidators permanent officers of the court. The official liquidator now, though he is nominally an officer of the court, is an outsider entirely; but I think that if there were persons like the official assignees in bankruptcy attached to the court, to one of whom, as each case arose, it should go, you would then have an official in whom all parties would trust; who would have no interest in increasing expenses, because he would be paid by salary; and who would be, from constant dealing with those cases, very well *au fait* in their management; and who would also have a sufficiently competent legal knowledge not to be always finding it necessary to apply to the court for instructions.

1163. In reference to the acts of the directors, is there any necessity, in your opinion, for an alteration of the Statute of Limitation in cases of *bonâ fide* acts which may be *ultra vires*?—There are a series of cases which have been lately decided, which certainly seem to me to show that there ought to be a statute of limitations, or rather that a time should be fixed when the *bonâ fide* acts of directors which were unfortunately *ultra vires*, though done with a good intention, should hold good against all parties; I refer to the cases of the Agricultural Cattle Insurance Company; the Chippenham compromise cases. It is a very sad thing that though it is 14 years since the Chippenham compromise was proposed by the directors (and I believe all the judges have agreed with the very best intentions possible), the executors of persons long dead are now being put upon the list of contributories, because that compromise was not in the power of the directors. I do not say whether it should be six years or 10 years, but there should be a time when the *bonâ fide* acts of directors should not be impeachable simply because they exceeded the limits of their statutory power.

1164. Do you think it would be an improvement if, in the preliminary stages of Limited Companies, all the expenses should be individual and not corporate; that the expenses of getting up a company should be paid by the promoters, and should not be allowed to be a charge upon the capital or the income of the company?—Then

who

who would get up a company unless he is to be paid his expenses; I am afraid that would be impracticable; you see a man would be volunteering to do it for the benefit of somebody else if he is not to be repaid his expenses.

1165. With regard to the articles of association was the idea in your mind that they should be to a certain extent uniform?—I do not think that possible.

1166. Do you think it would be impossible to provide a sort of blank charter for companies, as was suggested the other day?—In the general precedent given in the Appendix to my treatise on the Act I have tried to do so; but, in my own idea, with but doubtful success. The only possible way would be to have a cumbersome set of articles, many of the provisions in which would not apply to half the companies who used them, and really would be a nuisance; I would therefore sweep away Table B. at once. I was glad to hear the other day that it was not intended as a statutable form, but merely as a sort of hint, and that its being used is quite exceptional. It has one serious objection, it omits altogether to provide that the directors shall be qualified.

1167. Do you think that it would afford a check upon impropriety, and give great power to shareholders if within a reasonable period after incorporation (say a month), it should be compulsory that a general meeting of the shareholders should be held?—There are cases of companies in which the directors could within a month give some idea of the prospects of their undertaking, but there are other cases especially where the company is to trade in foreign parts, in which it would be quite impossible for the directors to do more than repeat the statements in the prospectus; and I think that if the effect of that meeting as I heard it shadowed forth to day, was to allow persons who then dissented to be relieved from their applications for shares, they would simply look to the price of the shares in the market. It would be a sort of pressure upon the promoters of companies to keep up the market until the month's meeting was got over, and I believe that it would be really more hurtful than beneficial.

1168. Do you think that it would be in any way of value to make it compulsory that all purchases of property and contracts, and all important engagements, should be subject to confirmation at meetings by the companies themselves?—I think that you must allow a very large license to directors, if you are prepared to confide in them. The Committee must be aware that in business, and it is business that companies are to carry out, there are very many important engagements and contracts which would lose half their value if you had to publish an account of them beforehand, and call together perhaps a hundred people, and ask if they agree with them.

1169. Do you think that it would be better that that should be left to the provisions of the articles of association?—I think so certainly; I would not fetter directors in that way.

1170. Then you would provide that the articles of association should be certified, and that they should be open to everybody, and be a matter of public notoriety, and then you would let every man take care of himself?—I think so; I think that was the object of the Act, and I think that the only place where it failed, except in the small points which I have mentioned, is that it did not efficiently ensure publicity.

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1171. Mr. *Solicitor General.*] You speak about not insuring publicity, do you think that it would be any good to copy out this deed upon the prospectus?—Not to copy out the deed entirely, but to put such an abstract of it as to enable a person to have a competent idea of its contents, and especially to set it out so that he might clearly understand all the important clauses, such as borrowing and accepting clauses.

1172. In the state of things which exists now, the intention of the prospectus is to call attention to the character of the undertaking, the property to be purchased, and so forth; all these more important matters being frequently passed over in a very few words, but there is an immense deal of detail in the deed, is there not, which very few shareholders care to know anything about?—A great deal.

1173. Do you propose that the registrar should be answerable for the correctness of the abstract which is made?—I think that he should be, if he is to be of any value.

1174. But how many persons do you think it would require in the office to make out abstracts of those different deeds, and see that they were correctly made out?—With respect to such conditions as the management of a company or the qualification of directors, it would be sufficient to say, "Directors to be qualified in such a manner, to be elected by general meeting, and to retire." You might put that as shortly as possible, but when you come to the more important articles, such as the powers of borrowing, those should be stated more fully.

1175. Would it not be sufficient to make a short abstract of the deed, and say those are the powers there limited; because persons take shares on the prospectus, and if there are misrepresentations in the prospectus, it is always open to the person who subscribed on the faith of that prospectus, to bring an action against the person who makes a false representation?—Yes, no doubt; but he may find no responsible person.

1176. That rather affects the constitution of the company, does it not?—Quite so.

1177. As to bills of exchange; you say that you see no objection to their being limited?—I do not say that I see no objection, but I do not see any way of limiting them in a trading company.

1178. Then what you object to is, that unlimited power of drawing bills of exchange, which enables persons to do that which is commonly called "flying kites"?—That has been the result.

1179. But if a company do issue bills of exchange not for value, and if those bills get into the hands of a person who knows they are not for value, the company is not bound by them?—No doubt that is so legally, but the effect upon a company of those bills of exchange being hawked about for discount is a very serious matter.

1180. You saw something of that in the Contract Corporation, and some of those other cases, did you not?—A good deal. Lately the Land Company of Ireland, within a fortnight, I think, of their incorporation, gave Mr. Leopold Lewis 480,000 *l.* in their acceptances to deal with.

1181. How would you propose to deal with that power?—The only way in which I think it can be dealt with is, if it is taken by a company, to make it public, and I think that a great number of persons would never have embarked in any of those companies if they had seen stated on the

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prospectus not only that the capital was so much, and that the borrowing powers were so much, but that there was power to the directors to accept bills. I think that it would act as a very great check upon persons.

1182. Mr. *Stephen Cave.*] Do you think that the prospectus and the memorandum of association and articles of association should all be printed and circulated, as stated by a former witness?—I do not see the use of circulating the articles, though I do of the abstract. The memorandum of association is always a very short document, and I certainly do think that that should be printed and attached to the prospectus, because we have had a very great number of instances lately in which it has been discovered afterwards that powers were taken in the memorandum which were entirely inconsistent with the original prospectus. The usual conclusion is, "to do all things that may be conducive to promote the objects;" but this now is very often the conclusion, "to do all such other and extended objects as the company may deem or think likely to be advantageous to them." So that, as the Master of the Rolls said the other day, it would make a banking company, a brewery company, or anything of that kind, just as it liked

1183. Then the Registrar of Joint Stock Companies would have no difficulty, of course, in seeing that the articles of association or the memorandum of association complied with a certain form?—I think not.

1184. But you stated just now (very truly, I think) that very few people could understand 200 clauses of the articles of association?—Quite so.

1185. Do you think that the Registrar of Joint Stock Companies is a sufficiently educated officer to be able to do that?—I can only say that if he is not so, he ought to be; I believe that Mr. Curzon is a barrister, as far as I remember.

1186. I do not use the word "educated" in the ordinary sense, but is he sufficiently educated to enable him to perform such an office as this?—I do not know what Mr. Curzon's qualifications are, but I think that the person who occupies that position ought to have a special education to fit him for that duty.

1187. But would you not require some superior officer, even in the nature of a judge, to decide upon such questions as these?—I think not; I think that any man with a reasonably good legal education and practice ought to be able to say that these articles carry out the objects stated in the other papers, namely, in the prospectus and memorandum; and also to say that they contain, besides the usual and common management clauses, such and such powers specially to the directors.

1188. Looking at the number of documents of this kind which the registrar would have to examine every day, would you not think that there might be some danger of this duty being performed in a superficial manner?—I do not like to express an opinion, of course, upon a point of that kind. I think it quite possible for it to be done; it was done under the old Act of 1844.

1189. But, in those days, was it not the case that the number of such documents to be inspected was infinitely smaller than it would be now?—I think that there was merely a rush about a year and a half ago about these sort of things; and, perhaps, the Committee are not aware that the majority of those documents might be said to come in bundles of the same kind. Every leading solicitor (not to mention names) who applied himself to the bringing out of companies had what might be called a stereotyped form of articles of association, and all that they generally did was to scratch out company A. and put in company B. I have several of them before me now, and you would soon see, on looking through the articles, that those were mere repetitions of what I would call a common form. An experienced officer would at once turn to the points which were necessary to be brought forward publicly for the warning of subscribers.

1190. You know better than I do, no doubt, how dangerous it is to hold out an idea to the public that you give them legal security and then to fall short of doing it actually; do you not think that there would be that danger in imposing upon the Registrar of Joint Stock Companies such a duty as that which you propose to give him?—I do not think that there would. The persons promoting and devising a company are generally a very long time about it; and all that it would result in would be this, that Messrs. So and So, who are going to bring out a company, would send drafts of the articles, memorandum, and prospectus, to the registrar some considerable time before they were going to bring them forward to the public. Of course, I assume that there would be some special department in the Registrar's office, which is now a most important office, to apply itself entirely to these matters.

1191. Among those 200 clauses in articles of association, would there not be some which (as you say you yourself have found difficulty in understanding them) the registrar also would find difficulty in understanding?—I think that then it would be his duty to send to the parties, and to ask them to explain what the object of them is, and if he found that that object was not properly expressed, to suggest alterations.

1192. You see, by your suggestion, as you must be aware, you would make the Registrar of Joint Stock Companies a totally different officer from what he is now?—I do; I restore him very much to what he was in 1844; and I would give him even greater powers, because I think that the Committee should bear in mind that the incorporation of companies through registration has now come to be a really very important department. It was not so formerly; but now that the power of going to the Crown for charters, and that also, not the power, but the encouragement of going for special Acts, is taken away, there is only one way in which these special business companies can be incorporated, and that is through the registrar; and, therefore, it would be well worth while to make his office an efficient office.

1193. The Registrar of Friendly Societies has larger power, has he not?—The Registrar of Friendly Societies has exactly the same power as the Registrar of Joint Stock Companies had under the old Act.

1194. The deeds of friendly societies are very much more simple, are they not?—Yes, they are; but Mr. Tidd Pratt exercises a very powerful jurisdiction over them.

1195. But I think that, even with all Mr. Tidd Pratt's power and experience, they do frequently drive a coach and six through his regulations?—I dare say that that would be the case.

1196. You have not seen that complaint in his annual report?—I think I have.

1197. Then

1197. Then do you not think that there is some risk in giving this extra power and this extra responsibility to the Registrar of Joint Stock Companies, when, even in those similar matters, there is so much difficulty?—I think that it would be worth the experiment; I see that it meets with very general approval, and it is certainly, no doubt, that notion which the committee of the Stock Exchange have put forward in one of those questions which I heard an Honourable Member read to-day.

1198. Would you make a provision for the registration of debentures in the same office?—I would; I would extend to all companies the Railway Companies Securities Act, which was passed last year, and I would also amend that Act by making it imperative, which it is not now, that the borrowing powers of companies should not be exercised until the Registrar or some public officer was satisfied that the powers existed. As the Companies Securities Act now stands, it is simply laying upon officers of companies the duty of sending in their idea of their borrowing powers, but it does not in any way prevent the exercise of those borrowing powers if there is any doubt of their having them.

1199. Then you think that at present that Act is not of the advantage that it was supposed to be intended to be?—I am afraid that it will end like all Acts which provide for sending in returns. They fill places, but nobody goes and looks at them.

1200. Then would you propose that no debenture should be valuable without the stamp of the Registrar?—I should have no objection to that, but I think that the certificate of the Registrar that a borrowing power to such an extent existed in Company A would be sufficient.

1201. And that so much had been exercised?—That so much had been exercised, and I think it would be advisable if I may be allowed to suggest it now, that in any amendment of the Limited Liability Act the clauses of the old Companies Clauses Consolidation Act of 1845, by which a statutable preference, whatever its value may be, is given to debentures, should be brought into this Act, so that the debentures may really stand in the same position as the debentures of other companies.

1202. With regard to a point which was raised by an Honourable Member, can the seller take his name off the registry himself?—No; it depends, of course, on the conditions of the articles of each company; but generally the articles of association provide that the transferees and the transferor shall both execute the transfer; and they very often provide that the acceptance of the transferee shall be subject to the approval of the directors; and it has been laid down by the courts that, subject to that power being exercised *bonâ fide*, there is no power in any court to compel the directors to accept the transferee, but they must exercise their power subject to the jurisdiction of a court of equity that they do it fairly and properly and not for any foolish notion.

1203. Would notice to the directors from the seller of a share operate to release him from responsibility to any extent?—Not the slightest.

1204. Not as a matter of evidence?—Not the slightest; the only power the seller has when he has executed his contract, is to file a bill for specific performance against the person to whom he sold, to compel him to complete the purchase.

1205. Mr. *Solicitor General.*] Do you think there would be any objection to the transferor always insisting that the transferee should be registered before he delivers the shares over to him?—That comes to be a matter between himself and a broker; so far as my experience goes, the Stock Exchange rules unfortunately assist a man in not completing his transfer for a considerable time, because they allow such a long time for the delivery of the shares after the purchaser money is paid to the broker.

1206. Mr. *Stephen Cave.*] That time has been reduced lately, has it not?—I believe that it has been reduced, but it is still a very long time.

1207. It was mentioned the other day with regard to the reduction of shares, that the transferor might transfer the liability of the unreduced share to the transferee when he sold him the reduced share until the present creditors were paid off, what is your view as to that?—I remember hearing that mentioned. It must be a matter of special contract. No general power can be put in an Act of Parliament to meet such a case as that, I take it.

1208. In the case of a reduction of shares, would it not be fair that a minority of the shareholders should be paid off before such a reduction should take place?—I had that in view when I said that the present mode of doing it by voluntary liquidation, I believe to be right; because under the 161st clause of the Act, where there is a voluntary winding-up, and the property of the company is to be purchased by another company, then dissentient shareholders on giving notice, have a right to be paid out at the market value of their shares.

1209. But if fresh legislation was adopted to get rid of the expense and inconvenience of liquidation, do you think that that would be a proper stipulation?—I think it ought to be a *sine qua non*; I think that every creditor must be settled with; and supposing it is wished to do it by a new process, in the seventh portion of the Act, there is a power for unlimited companies to come and register as limited companies, especially banks; and one of the conditions under which they are to do it is, that they shall give 30 days' notice to the creditors, and I believe that with the alteration of a very few words, the seventh portion of the Act might be applied to the reduction of the liability on capital.

1210. That 30 days' notice to creditors would not operate in the case of deferred debentures, would it?—You would say to the man, "You have a debenture; are you satisfied with the security of the new company?" He would say, "No, I am not." Then you must settle with him under the present law, in some way or other; you must either value his interest or get him to come to some arrangement with you. In any new rules you must provide for a proper valuation of interests which are deferred interests.

1211. As to the dealings with the shares, would it not be *ultra vires* of a company to expend their money in dealing in their own shares, generally speaking?—The way in which companies take that power is in the investment clause of their articles: "The directors shall have power to invest the surplus funds of the company in any way they think expedient;" and I believe it is a decided rule of the Stock Exchange that, unless in that clause is inserted, "Other

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"Other than the shares of the company," they refuse them a settlement.

1212. It is contrary to law, is it not, for directors to issue shares below par?—I do not think it is. It has been said to be so; but it is very difficult to say what is contrary to the Limited Liability Act in the discretion of the directors, in issuing shares and in dealing with the property of the company, where there are no specific provisions in the articles to prevent it.

1213. We have heard a good deal of the interpretation of the Act, having been arrived at through a painful process of litigation, do you think that there are a good many points still to be arrived at in that way?—I am sorry to say that there are.

1214. Of course that would be an objection to altering this act as well as others?—If we are to wait until we are at the end of the points under the Limited Liability Act we should have to wait a very long time.

1215. But are you of opinion that upon certain points which have been specified in the evidence, the Act might be beneficially altered?—I think that even as a preliminary step, many points might be altered very beneficially.

1216. Are you not a little doubtful as to the reduction of the share capital?—I do not object to it, but you must be very cautious in dealing with it, you must give the power to do so with those sort of protections which really will practically make it a very difficult process.

1217. Mr. *Goschen.*] Did I correctly understand you to state that most of the companies incorporated under special acts, can only borrow one-third of their capital?—Yes.

1218. Does that apply to companies with charters?—I do not know; it is so long since we have had any companies with charters that I am unable to say.

1219. Would you have one general law, whether a company is a railway company or a dock company, or any other company, as to the amount which they should borrow on debentures?—I think that it would be advisable to give a liberal power, but still to fix it.

1220. Could you fix it with any companies except those constructed for some definite purpose, such as the building of docks or railways where the amount can be ascertained beforehand?—I think you might. I think that it would be better to limit the power of extravagance, for that is what this really comes to, even at the risk, in one or two cases, of cramping the hands of parties.

1221. Would you limit it in the case of banks?—The case of banks is very different. The entire notion of a bank, in one sense, is indebtedness?—Then you would not limit it in the case of banks.

1222. I do not think that you can; but I do not think that you will find that any banks take powers to issue debentures. The way in which a bank becomes a borrower is by its deposits and notes.

1223. But there would be no use in registering debentures, would there, if you did not register the other portion of the indebtedness?—It is impossible to register bills.

1224. Then you would have no means of ascertaining, even if general powers were taken, whether the directors kept within those powers or not?—Yes, you would, if you compelled them every six months to fill up Form D, because one of the returns is of the amount of acceptances out.

1225. Then, if they accepted so that the acceptances fell due beforehand the fact would not be discovered?—No legislation in the world will provide for what is very much like roguery.

1226. You cannot, in fact, provide against companies borrowing more or borrowing less except by trusting to the character of the management?—To a certain extent; but you may, I think, make certain rules which will prevent their judging in those sort of things.

1227. Mr. *W. E. Forster.*] You stated, did you not, that there were several companies under private Acts which have this restriction?—Yes.

1228. I presume that in every one of those cases the promoters, in fact the shareholders of those companies themselves, wished for the restriction?—I am not aware whether they did or not; but it is almost a statutable form that the borrowing powers of all companies incorporated by special Act of Parliament shall be limited to one-third of the capital; I am not aware of a case where it is not.

1229. Of course, in every one of those cases, the persons who obtain the Act themselves define what they desire by the Act?—No doubt.

1230. Your object in this suggestion is to limit the extravagance of companies?—It is.

1231. Do you think that it is the business of the law to limit the extravagance of companies?—I do not say that it is the business of the law to limit the extravagance of companies; but if the law will not limit it, they must ensure such a publicity as will operate as a limit, namely, by preventing persons from dealing with persons who have an unlimited power of extravagance.

1232. Is it not one thing to say that there shall be publicity, and another thing to say that there shall be a prevention of traffic?—No doubt.

1233. Would you limit the extravagance of a private firm by law?—We have nothing to do with private firms, because their liability is unlimited. You must remember you are giving a special privilege, that is to say, you are limiting the liability of persons to a specific sum, and it is only because you are giving them this special privilege that I conceive you have a right to put them under special restriction.

1234. Therefore you think allowing a bargain to be conducted between a creditor on one hand, and a limited liability company on the other, which the creditor knows to be limited, you have a right to limit the extravagance of the company?—I think you have.

1235. Mr. Alderman *Salomons.*] May I ask you what advantage it could be to a limited company to issue debentures?—Simply that it prevents the shareholders being called upon for calls; that is the notion.

1236. What security can it give to the debenture holders, over and above what it gives to any other creditor?—None at present.

1237. But I understood (you will be able to correct me if I am wrong) that you would give debenture holders a preference over other creditors?—If companies are to have the power of issuing debentures, I would give them the same preferential rights as debentures have under the statute; at present they have them not.

1238. But would not the capital which is raised by those debentures, be a part of the capital of the company?—It would be a debt upon the capital

capital of the company; it would form part of the working capital.

1239. How would you give those debenture holders any preference over the other creditors at any time, they forming part of the capital of the company?—You do so under statute.

1240. For a railway company?—For any company who likes to go to Parliament.

1241. What security could you give to me as a debenture holder lending money upon debentures, except upon the assets of the company?—None whatever.

1242. Are not the assets of the company then liable to those to whom they owe money?—Yes.

1243. Then the debentures placed in such a position would be entirely delusive?—No; the debentures would take the same preferential position, such as it is, as they now hold in those cases by special Act of Parliament, namely, that they would take precedence of the general creditors.

1244. Just consider for a moment; the security to creditors must either be the assets of the company or the unpaid calls, must it not?—Yes, it is a question, however, whether the unpaid calls can be made a security for debentures.

1245. Supposing that they owe a simple debt to anybody, are not the assets already pledged to those parties who trust them?—Not if the pledging of the assets previously by debentures is made so public that the person who deals with the company knows that they have been pledged.

1246. Supposing they owe money on debentures, what right have the managers of the company to pledge the assets of the company to unpaid calls over and above me without my consent?—If you elect to deal with the company which has that power, you elect to deal with it knowing that it has that power. If the law is altered to give a company that power, you know the position in which you place yourself.

1247. Mr. *Lowe.*] You say that you would like to have a preliminary investigation by the registrar before the company is incorporated?—By the registrar.

1248. What should he investigate exactly?—I think that it should be obligatory that he should ascertain that there was an agreement between the statements in the prospectus and the powers taken in the memorandum and articles of association, and that he should, besides that, have the optional power, if he were appealed to, of investigating the truth of the statements in the prospectus and of certifying to them.

1249. So that, whenever a company was incorporated, the registrar should have certified that the articles and memorandum of association were according to law, and that the statements in them were true?—That he should be compelled to certify that the statements in the prospectus and the memorandum of association were agreeing together, and that if he was called upon he should have the power of also certifying that the statements by themselves in the prospectus were founded upon fact.

1250. And that people should act upon that certificate, instead of making any inquiry for themselves?—I have tried to explain that I think the Act was meant to apply to a great number of persons who either cannot, or, if they did make the inquiry, would not be able to arrive at the true state of the case.

1251. Then it is, as I say, to make inquiry for the people instead of their making it for themselves?—Quite so.

1252. Supposing that he makes a mistake, what is to happen?—If my view was carried out, I should be inclined to make his certificate evidence (unless there was fraud) that the facts were true.

1253. Would you make it conclusive evidence?—Conclusive evidence.

1254. That is to say, that if I find a direct contradiction between the memorandum of association and the articles of association, and the registrar certifies that they agree, they are to be taken to agree?—That is such a very strong case that one can hardly fancy it.

1255. But what would happen in such a case?—I think, for it to be of any value, you must make the certificate conclusive, and then you must endeavour to provide for the certificate being correct.

1256. If his certificate is false or mistaken in any way (I do not say fraudulent), are the company to be bound by it, although their own agreement may be to a different effect?—To this extent: if there is a non-agreement between the statements in the prospectus and those in the memorandum, and the articles (as the Right honourable Member is perfectly aware), there is power to apply at the time, while the company exists, to be relieved of the shares; but if the registrar had certified, upon the best information which was laid before him, that there was no such disagreement between them, then I say that it should bind a party who applied for the shares. I am afraid that you must go to that extent.

1257. And you think that would be fair to the public, do you?—I think that it would be a great protection to them.

1258. That when they had agreed to one thing, a public functionary, making a blunder, should transfer their agreement to another thing?—It is only a question, which is the worst thing for them now.

1259. You spoke of provisional registration; are you aware of any evils which occurred from provisional registration under Acts, before the Act of 1856?—I did not speak of provisional registration. I think that I alluded to the power which was given before the registrar gave complete registration, of saying that the deed of settlement, as it was then called, included the provisions mentioned in Schedule (A.)

1260. There was a preliminary stage in that Act, that the company should be registered provisionally, and that an inquiry should be made by the registrar, and that at the conclusion of that inquiry the company should be registered completely; do you think that we could revert to that?—I think that it would be advisable to restore the power of inquiring.

1261. Are you aware of the mischiefs which arose under that system?—I am not aware of them.

1262. One of those mischiefs was that, before the company was fully incorporated, all sorts of transactions took place, and it was almost impossible to define the liability of the people who acted in getting up the company?—My suggestion is, that no transactions whatever shall take place until this investigation has taken place.

1263. But you must give the materials for the investigation in the first instance, and that involves a transaction?—But it is no invitation for the subscription of shares. I laid it down that no prospectus and that no invitation for the sub-

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scription of shares should be issued until preliminary investigations had been made by the registrar.

1264. Do you think that you could enforce that law?—You could make it compulsory.

1265. Yes; but do you think that you could enforce it?—I think that no person would deal with parties who did not apply for it.

1266. You are aware, probably, that it was that very provisional registration that led to the change which took place; would you think it better to revert to that?—I think so; but I think there should be no invitation for subscription of shares before the registrar had satisfied himself that the company was fit to have complete registration.

1267. I suppose you would allow a man to invite seven people to join in the memorandum of association?—I do not attach much importance to what has been said about *bonâ fide* subscribers to that.

1268. There must be somebody, must there not?—There must be somebody.

1269. If he asks more than the seven, does not that come within your prohibition?—No; all he asks them is to agree to sign the memorandum, when in a position to obtain, of incorporation.

1270. Then they must take shares?—They would not have to take the shares until they were incorporated.

1271. You would allow that so far as the memorandum of association is concerned?—I do not see any harm in that, because it is dependent upon the provisions which are required by the registrar being carried out.

1272. Do you think that you can prevent companies incurring debts on simple contract?—I do not see how you can.

1273. You said that you do not see how you can prevent them incurring debts either on bills or notes?—There would be very great difficulty in doing so.

1274. Then what advantage would there be in limiting their borrowing powers; would it not tend to deceive people, and make them think that the powers were what they were not?—Not if there were statements in the prospectus that they had only powers to borrow to a certain extent; and if it were stated in the next line that they have powers of borrowing by means of bills and acceptances, that would warn persons at any rate.

1275. How would you propose to state that?—That should be stated in every prospectus, if it is included in the articles.

1276. But if it was not stated in the articles, what then?—The registrar must see to that.

1277. Supposing that the registrar does not see to it, what then?—Then he ought to do it.

1278. What is to happen then; do you think that a man is to be dispensed altogether from the necessity of looking into it?—I assume that there are persons who are not in a position to look into these matters, and yet they are persons who may very well be allowed to attain the benefits, if there are any, from those companies.

1279. The effect I suppose of that would be to put to sleep all private vigilance, would it not?—I do not think that it could do so more than at present.

1280. But do you think that it would?—I do not think that it would.

1281. Do you think that if public officers were provided to look into those things, people would do it for themselves?—Quite as much as they do now.

1282. Then what is the advantage of a public officer?—They do not do it now.

1283. Do you think that the advantage of having a public officer would induce them to do it for themselves?—The setting up of somebody to certify that things were correct would prevent people from being deceived.

1284. But what effect do you think that it would have upon people looking into this matter for themselves; do you think that they would look into it for themselves?—There would be no necessity for their doing it.

1285. But would they do it?—I do not know whether they would do it or not.

Wednesday, 3rd April 1867.

MEMBERS PRESENT:

Mr. Stephen Cave.	Sir Graham Montgomery.
Lord Frederick Cavendish.	Mr. Alderman Salomons.
Mr. Finlay.	Mr. Solicitor General.
Mr. W. E. Forster.	Mr. Vance.
Mr. Kirkman Hodgson.	Mr. Watkin.
Mr. Lowe.	Mr. Hubbard.

EDWARD WILLIAM WATKIN, Esq., in the Chair.

GEORGE LATHOM BROWNE, Esq., called in and further Examined.

1286. *Chairman.*] Do you wish to hand in to the Committee, a table illustrating the powers given to directors without the consent of shareholders in increasing capital and borrowing on bills and debentures, which is referred to in your answer, No. 1117, and also a paper noting the difference between proceedings for incorporation under the Act of 1844, and that now proposed?—I do.—(*The Witness delivered in the Papers.*—Vide *Appendix.*) *G.L.Browne, Esq.* 3 April 1867.

The Right Honourable JOHN LORD ROMILLY, attending by permission of the House of Lords, Examined:

1287. *Chairman.*] THE Committee are very anxious to have your Lordship's views upon the improvement, if it be necessary, of the Act of 1862, and the results of your experience with regard to any weak points in that legislation?—It is easier, I think, to point out defects in the working of the Act than to suggest remedies for those evils; I am by no means sure that I have ascertained all the defects which exist in the working of the Act. The Committee must understand that only the bad parts of the Act come before me; and I have no doubt there are a great many good things arising from limited liability in various modes, of which I see nothing. If it was confined entirely to the *bonâ fide* employment of capital, and the lucrative employment of capital abroad, I apprehend that the Act would do a great deal of good, but of those cases I see nothing; I only see those where they fail, and of course in the whole of my evidence that must be borne in mind.

1288. Still, of course, your Lordship's experience will point no doubt to the weak places in the Act more effectually on that account?—I have frequently seen a great number of very grievous and afflicting cases under the Act. Very few days pass without my receiving letters from contributories in the country, who say that they are entirely ruined by being called upon to pay a contribution, and that they had no conception what the company was which they joined. They are persons, perhaps, who have saved after a long life of industry 200*l.* or 300*l.*, to live upon in their old age, and they have been induced to join a company, and they are utterly ruined.

1289. They complain either that they did not understand, or that they were deceived with regard to the prospectus, and that they have found that their liability was practically unlimited, and not limited?—Yes. In a great many cases which have come before me, I am satisfied that the company was formed for the purpose of being wound up, and that the original promoters had no other object than just to put a company on foot which they were satisfied could never be carried into any profitable execution, for the mere purpose of afterwards winding it up in the Court of Chancery. In these cases the creditors are paid nothing; but all that takes place is, that a few deluded individuals are induced to take shares, and their payments are divided among some of the promoters of the company and the lawyers who are employed to wind it up. In one or two cases, I have known that the whole of the assets of the company were not sufficient to pay the solicitor's bill; and it was necessary in that case to allow him to take all the assets, and leave the matter as it stood, after a very short proceeding. Unquestionably, the working of the system the Committee would learn better from one of my chief clerks. They see the detail and the working of it much more closely than I do, for they have, in fact, all the part which is merely administrative; I have only the judicial part. When a question arises it is brought before me, and I see it incidentally; but the administrative part they do entirely, and they see it very well. *Right Hon. J. Lord Romilly.*

1290. The Committee intended to ask your Lordship to intimate to them, which of the chief clerks you thought would be the best witness?—I should

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I should recommend you to take the senior, Mr. Church, who is a remarkably sensible man, and I would communicate with him beforehand. I have looked cursorily over the names of the gentlemen who have been examined; I do not know whether the Committee have examined any of the official liquidators. The principal official liquidators in my chambers are the firm of Messrs. Harding, Whinney, and Company. They do the principal business before me.

1291. In reference to the cases which your Lordship has mentioned, in which you have had those various letters, has it struck you from those cases, that the cause of the evil has been from any encouragement which has been held out by the law as it stands, or that those things have arisen from that general demoralisation which, at certain periods, exists in industrial countries?—I think that a good deal of it arises from pure deception, and upon that point there is a very considerable difficulty in exactly knowing what course to take. I cannot say that the decisions in the court of law at this instant are satisfactory upon the subject. One is this: a company is proposed to be formed by certain promoters, who set forth a prospectus in exceedingly favourable terms, suppressing something which is more or less material, and stating something which is more or less exaggerated. It is a question of degree, whether a person who has taken shares upon that foundation ought to be continued as a shareholder if he resists being one; and the courts have held, I think, very properly, that where the deception is made by the company, then any person who is so deceived has a right to have his name taken off the list of shareholders; but that where it is a deception by a private individual, such as an individual director, that is not the act of the company, and he cannot have his name taken off; but his only remedy is a personal action against the person who deceived him. He may be entitled to indemnity against an individual, but it must be a deception by the company to enable him to remove his name.

1292. I suppose that the individual may be in some cases a man of straw, and therefore there is no remedy?—Just so; but still it is very necessary to draw a distinction with regard to making the company liable for the remarks or the persuasion of an individual person. That does not apply of course to the prospectus; but then this difficulty arises, that after a person has become a shareholder, upon the strength of his name, many persons trust the company not only on account of the number of shares he has taken. but on account of his known position in the mercantile world, or the like. Then a new question arises, whether, though he may be entitled to have his name taken off the list of shareholders as against the company, he is entitled to have his name taken off the list of shareholders (or to put it in a technical form, the list of contributories) as against the creditors, which is a very different question; and I cannot say that the decisions have been at all clear upon that point. Generally speaking, the courts have held that it requires a less degree of deception to enable him to take his name off the list of shareholders than to take his name off the list of contributories (if I may use those two words in order to distinguish the meaning), particularly if he has not applied promptly. But of course those two questions are very different. Now, if the Committee could devise some means by which they could draw the line in any Act of Parliament (which appears to me to be extremely difficult to do) between that which is only a false statement, or a suppression of a material fact which would influence a shareholder, and that which is mere colour or exaggeration, and which, as long as companies exist, or as the world exists, you cannot help or prevent, and which everybody ought to understand, and make some allowance for, they would accomplish a great object.

1293. It has been suggested to the Committee by a witness, that the Registrar of Joint Stock Companies should have imposed upon him the duty of comparing the prospectus with the articles of association, and what may be called the partnership articles, to see that the whole thing was consistent; does your Lordship think that that would give any check upon the evil which you have been explaining?—I think that that is open to this objection, that it must be a judicial duty which he performs. If he performs a judicial function, he must be allowed to hear counsel to explain the matter, whether barristers, or whether solicitors, or whether the parties themselves; and if so, considering the importance of the matter, it would be difficult to allow that to be done without an appeal to some higher tribunal. It would seem to be an unwise thing to make a new judicial tribunal for the purpose of ascertaining whether in their return they had strictly told the truth or not.

1294. Of course, the parallel attempted to be drawn, is between the function of the Registrar of Joint Stock Companies and the present function of the Registrar of Friendly Societies?—The great object of all legislation, but particularly of legislation of this description, is to make it the interest of persons to do what is fair and honourable.

1295. Do you think, as the law stands, that the tendency is to make it their interest to do that?—I do not think that it is; but I for a long time thought that it would be their interest if you made the persons who managed the company, and the promoters, responsible to a greater extent than they are at present for the debts of the company; if, for instance, you made them liable for two or three times their subscription. The Committee are aware that, according to the French law, the persons constituting what they call the *gérant*, are liable to the extent of their fortune for all the debts of the company. Now, I do not know whether this might not be too great a check in controlling the operation of what I dare say is a very beneficial part of the Act of Parliament; but I think that if the promoters and the persons who lend their names, and upon the faith of whose names persons took shares, were compelled to be liable for a greater amount of debts than they are at present, a beneficial result would be obtained.

1296. Do you think you would have a better body of directors, and a guarantee in the interest of the parties that fraud and irregularity would not take place?—I think so; I think it would be much more for their interest.

1297. And that would, of course, insure, as far as it possibly could be insured, in that direction, a greater attention to the business of the company afterwards?—Yes; I have looked at some notes which I could not find of a case which came before me only this year, which I think was an Irish Company, in which the company advanced to one of the directors 400,000

in the course of three months. When I say that they advanced it to him, I mean that they accepted his bills, and gave security enabling him to raise the money. They were wound up in the course of a year, and the gentleman to whom they advanced this money, or who obtained this money, became bankrupt about the same time, to an extent, as I was informed, I think, of 600,000 *l.*, and paid nothing in the pound. That was a company which was cited upon the Stock Exchange. I should be able to get the name of it, and I could give it to the Committee, if they thought it worth their while.

1298. To go back for one moment, your Lordship spoke about the liabilities of the shareholders. I may mention that it has been alleged before the Committee that a man may sell his shares, and that he experiences the greatest difficulty in getting the transferee to register the shares; has it struck your Lordship that there would be any difficulty in reference to such registration?—I think it would be a very desirable thing to compel the transferee to register the shares as soon as they are sold. It would diminish a great amount of litigation, and I think the seller ought to be enabled to require it.

1299. It has also been suggested that it should be made compulsory upon the companies to send out to every shareholder a copy of the articles of association and the memorandum of association, and that the shareholder being in consequence fully possessed of all the facts of the concern, after a period say of three months, or of some limited time, he should be able to count his liabilities as a contributory or as a shareholder?—I think that is very much the law as it stands at present. I think the latter decisions have held very much what you have mentioned; they have held that a shareholder who takes shares upon the faith of a memorandum of association and articles of association, is bound to know the contents of them, and that he must be taken to know the contents of them, and that if he does not apply speedily to have his name taken off, he must be considered to have lost his opportunity of doing so.

1300. That being the decision of the courts recently given, does your Lordship think that it would be desirable to have distinct legislation limiting the time within which a shareholder should raise such an objection?—I doubt whether it would be desirable to limit it precisely. I think he ought always to be held to be cognizant of the memorandum of association, and of the articles of association; but I doubt whether it would be wise to draw a fixed limit of time, and to give the courts no discretion at all, for it is impossible to foresee what circumstances there might be which might justify him in not having applied within three months.

1301. It has been complained before the Committee, that the intention of the Act being to give the utmost publicity, and to enable the public to protect themselves by means of that publicity, that sufficient publicity is practically not given either to the shareholders in reference to the documents that he ought to have, or to the public in reference to the proceedings of the company?—A shareholder, or a person who now proposes to take shares, is generally allowed to have access to all the documents of the company, but it is a privilege of which he rarely avails himself.

1302. Although the shareholders do not avail themselves of the opportunities they have, the proposal to the Committee was, that in order to protect them, many of those matters which they have the full opportunity of knowing now, should be, as it were, forced upon their notice; would that, in your Lordship's opinion, be beneficial?—I dare say that might be beneficial; but of the persons who write to me and complain that they have been deceived, the greater number would not be one jot the wiser for having the articles of association sent to them. The memorandum of association, I think, should be limited more than it is at present. Most of the memoranda of association that I have seen, enable the joint stock company to do anything.

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1303. It has also been suggested to the Committee, that we should have a sort of blank charter for the memorandum of association and the articles of association; a sort of form which would restrict the extraordinary variations which have been pointed out, and prevent many of those additional articles which enable a company established for one purpose to embark in almost any other purpose. Barned's Bank was mentioned as a case in which there was an additional article enabling them to embark in any other purpose which they chose?—That is the usual form; Barned's Bank did not, in point of fact, I believe, do anything but make improvident advances, and buy an insolvent concern; but it would be very difficult to effect your object, unless you laid it down as a legislative enactment, that no joint stock company should embark in two different projects which were not to some degree analogous to each other, and probably that would not be thought very desirable.

1304. But I think your Lordship stated that you thought the memorandum of association should be more limited; will you kindly explain how you think it should be limited?—I do not know how you can limit it, unless you require them to state precisely what the objects are for which they intend to employ themselves.

1305. I do not know whether it has come before your Lordship's notice, but very strong evidence has been given before the Committee as to the advisability of allowing companies limited by shares to reduce the amount of their capital after providing for all their outstanding creditors. It has been alleged that a company limited by guarantee, and a company unlimited, both under this Act, may reduce their capital if they find it is in excess of their wants by a simple resolution, and that a company limited by shares is compelled to go through the whole process of winding up in order to limit its capital, although the capital that it may have may be enormously in excess of its wants?—Then they need not call up the capital, and that would appear to me to be the remedy, unless you lay down this, as a rule, that they could not limit their capital so as to affect creditors existing previously to that time, for the creditors advance their money upon the faith of the existing capital.

1306. The case has been put in this way, that a company buying a work, for instance, by valuation, could not tell until the valuation was decided what the amount of capital required would be; that, in many cases, it has been found upon the valuations coming out so much less than was expected, the nominal capital of the company has been very largely in excess of the wants of

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the company, and that having shares, say of 50*l.*, with 10*l.* paid up, only 25*l.* being ever, in all probability, likely to be required, the overhanging liability of this extra 40*l.* gradually led to their having a worse and less reliable constituency than otherwise they would have, and that, under these circumstances, as they have power to increase their capital to any extent they please, it would be salutary, if they had the power to reduce it, always, of course, protecting the interests of the creditors beforehand?—I should doubt whether there would be any evil arising from that. Nothing was and, I believe, is more common than for insurance companies to have been established, the shares being 100*l.* each, with 4*l.* or 5*l.* paid up, and they have carried on enormous business, and have become extremely wealthy; but they have never complained of the fact that they were liable to pay a much greater amount. The remedy for it seems simply to be not to call in the money.

1307. In reference to the process of liquidation, it has been suggested to the Committee that a sort of representation upon which the creditor should have a voice would be a great improvement upon the present system. I think the practical suggestion was, that the creditor should appoint an assignee or what would be called in Scotland an official factor, and the shareholders another; and that under these two assignees the court should appoint a liquidator who should wind up the company; do you think that would be an improvement upon the present system under which the creditors seem to have no power of appointing a liquidator?—I presume that that is only in the case of the winding-up of a company.

1308. That is the supposition?—I have not considered what the effect of that would be. The effect of the creditors' representative in the winding-up in Chancery has been occasionally beneficial, but, generally speaking, it merely adds to the expense.

1309. I think it was on that ground that it was suggested that at present the creditors' representative being to some extent surplusage, and the creditors being a very large interest, when the company comes down the creditors should be represented by their special assignee or committee man, or whatever he might be called?—That would be a creditors' representative, as it is at present, I apprehend.

1310. Still I think a creditors' representative now may be appointed, or not, as the court decides, may he not?—Yes.

1311. The court may refuse to allow the creditors to have a representative?—Yes.

1312. And, therefore, the suggestion was that the court should be bound to appoint a representative for the creditors?—I think that in a great number of cases that would create a great deal of expense. I have never known the court hesitate to do it where there was a real reason for it.

1313. I suppose that it is no matter of secrecy that the courts have been crowded with the business of winding up those limited liability companies, and that an enormous mass of business has been thrown upon the courts. It has been represented to the Committee that the result has been considerable delay and difficulty, and a suggestion has been made that one separate court should be established to deal with all those questions of liquidation as they arise; what view would your Lordship take upon that subject?—I should have a great objection to that. In the first place I think the multiplication of courts a great evil. You have a different system of practice, and a different system of law rising up. It is hardly possible to have courts which shall not to some extent all deal with the same principles of jurisprudence; and if you have two or three courts laying down different rules, you unsettle the law and make it uncertain, and the more uncertain it is, the more expensive it is; and the greater the amount of litigation. Now, with respect to the amount of delay, and the way in which it encumbers the court, I can only speak of my own court, I have sat this year nine days in the Privy Council during the usual working time of my court, and I had not one cause to go on with when I rose, and two or three days before I rose at two o'clock and one o'clock, in consequence of there being no business on my paper which I could go on with; and I did not leave a single cause unheard in my court of the regular Chancery business when I rose on Friday week, the 22nd of last month.

1314. Then the tendency of your Lordship's opinion would be that it is not necessary to make any alteration in the present arrangement of business before you?—I think that it is legislation which should decrease the business of the courts. There is a great deal of business, and very likely an increasing business, which has accumulated very much from the number of failures of last year; but at this moment there is no arrear of Chancery business in any one of the courts; so much so, that if I had applied to the Chancellor for a transfer of causes, no one of the Vice-Chancellors would, I believe, have been ready to allow me to take any one of the causes from his paper.

1315. Would your Lordship be good enough to state to the Committee by what mode the official liquidator is selected?—It really is by a sort of rule of thumb; I cannot say that there is any strict rule. Generally speaking, with respect to myself and my chief clerks this is the rule, we select the persons whom we believe to be of the greatest experience, and who are the most responsible, and who are least likely to fail in being able to account for all the assets which they receive.

1316. They are generally public accountants, are they not?—Almost always; I think that they were originally public accountants; but this business lately has occupied a very large portion of their time.

1317. We have had a return (how far it may be correct I do not know) laid before us, from which it appears that one firm of official liquidators in the City have no less than 90 cases of winding up in their office?—I dare say that that is so.

1318. It has been also stated that in one case, the case of a bank which after getting into liquidation was reconstituted, the claim of the official liquidator, who it was stated had given only five months of his time, and employed a dozen clerks, was no less than 38,000*l.*?—That may be so, but I take it that that was not allowed. I have recently had a deputation of official liquidators before me (for I believe that there happen to have been more cases in my chambers than in most of the chambers of the Vice Chancellors), to consider in what mode they should be remunerated, and there were three modes suggested; one

one was a fixed salary, the second was a per-centage, and the third was payment by time. Fixed salary I came to the conclusion would be a very unwise mode of proceeding, and my disposition was at first in favour of paying them by time, though that is open to a great number of evils, because it is impossible to have any check upon the time which is returned; but I think that they finally persuaded me that the best mode of paying them would be by a graduated scale of per-centage. I did not come to any conclusion upon the subject. I took their papers, and I said that I would speak to the Lord Chancellor upon the subject before I came to any conclusion; but I fancied that I had the power in my chambers to regulate how they should be paid, merely by putting up an order, and saying that official liquidators in cases of winding up before me should be paid in such a manner. I may state also, that of course it is a subject of very great anxiety, particularly when you know that such large sums of money are passing through their hands, and though we make them give all the security we can get, it is impossible to give a security which is sufficient. The rules made in my chambers have been these: that an official liquidator gives security for a certain amount; that is regulated to some extent upon what are supposed to be the assets of the company which is to be wound up, and that he must pass his accounts every fortnight, and bring a certificate from the Bank of England that he has paid into the Bank of England the amount which appears in his accounts. I am not sure that I have the figures correctly, but I think that upon one occasion the official liquidator, when he brought in his account, showed that there had, I think, 100,000 *l.* passed through his hands, more than the amount of his security in a fortnight. Of course in that state of the case you must pay higher, in order to get a responsible and respectable person; and it is money well bestowed if you get a person whom you can trust, and whose interest it is to be trustworthy and honest.

1319. Of course your Lordship would have consideration to the social *status* of the person who is appointed?—Yes; unquestionably those official liquidators are making very large fortunes. I had the facts before me; they admitted that it was hard work, that there was a good deal of anxiety, and that they were responsible for their clerks carrying the money correctly, and the like (as I suppose every banker is), though they had not lost anything at present; but that they were making very large sums of money, they admitted frankly to me.

1320. Of course, security is a matter of very great importance, but also there is another thing also, namely, the efficiency of the person for the particular purpose for which you want him; for instance, in certain cases of manufactories or breweries, or any other different description of enterprise, there is a certain practical knowledge which is different in each case; would your Lordship be good enough to state what course is taken in practice to provide that the liquidator, in addition to being solvent and trustworthy, shall be also sufficiently experienced in the particular business which he has to undertake?—I cannot say that any such course is taker In some cases, for instance, I think in a iron foundry business, which was being wour c up at Newcastle, we had two official liquidators, one in London and another in Newcastle, in order to superintend the winding up of the business, and the management of the concern there in the most favourable manner. We occasionally do that, but that is the only mode. It is very desirable to have one of them in London.

1321. Then you get over the difficulty in such a case by associating with the official liquidator in London some practical man on the spot?—That is the way in which we have usually done it in my chambers.

1322. Has your Lordship considered, or have you had suggested to you, any mode by which a practical improvement could be made with reference to the selection of the official liquidators and the greater cheapness and efficiency of their operations?—I fancied at one time (and I suggested it to the Lord Chancellor) that it might be desirable to obtain the authority of Parliament for the appointment of official liquidators connected with the court to be paid by fixed salary and the like; but upon talking the matter over with him, and with the Vice Chancellors, we thought that there would be many considerable difficulties and objections to that course. In the first place they must be paid very highly, and must have a large number of clerks, and sums of money also which are paid in must either not be paid to them, or they must give security. It has long been supposed that it might be desirable to have official receivers of estates, but no plan has ever hitherto been found practicable. The difficulties in the way of it have induced all persons to avoid it. But, except by official persons, I do not know any mode of diminishing the expense.

1323. I suppose that the tendency of your Lordship's experience would be to encourage as much as possible the action of the parties who are themselves interested, and to bring about a voluntary winding up under merely the supervision of the court?—That I do as much as I possibly can; I hold that to be by far the best mode of doing it, and that ought to be very much increased in my opinion. They do it much better themselves, and if it is done under the supervision of the court, it enables any person to apply to the court, in case he finds any irregularity; but without the supervision of the court, I think that it degenerates into a job, and I have known several cases of applications made to me for a compulsory winding up where there had been a voluntary winding up, and where two or three persons had put off the shareholders with nominal accounts, and kept large sums of money, and rendered no account at all.

1324. Your Lordship's experience has been really that the supervision of the court has been most salutary and most useful?—Yes.

1325. Is there anything which your Lordship would like to state, bearing upon the general question of the improvement of the law?—I have felt very considerable difficulty about it, and I think it a very difficult subject. What I wish to know is (which I have no means of ascertaining) what are the benefits produced by the Act? They are of those things which do not come before the public, and which persons engaged in them may know; but that there is a good deal of profitable *bonâ fide* employment of capital to the great advantage of persons engaged in it, I do not entertain any doubt; I have seen something which makes me conclude that that must be the

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case; but, as I said before, those cases do not come before me, and unless I know exactly to what extent it operates, it is very difficult to know how one can introduce fetters upon the evil without introducing also impediments to the good.

1326. We have had before us many cases incidentally of great advantage in the operation of the law; we were told the other day by a witness, that the Atlantic Cable would never have been made without the Act of 1862, and we have had plenty of opportunities of seeing that there is a bright side in the operation of the law?—No doubt.

1327. Mr. *Vance.*] Has not this law of limited liability been used to a great extent for the purposes of fraud?—To a very great extent.

1328. Does your Lordship think that, on the whole, the advantages which the public have gained by the operation of it have not been counterbalanced by the misfortunes which have been caused by the reckless frauds which have crept in?—To a great extent they have, unquestionably; but I am unable to draw the balance, because, as I said before, I see the evils and I do not see the good. The evil is really harrowing; the amount of calamity which is produced by it is quite extraordinary.

1329. Is it not the case that a great number of the limited liability companies which have been formed within the last few years are in difficulties, or in process of winding up?—I cannot tell; I could tell you how many there are in my chambers by referring to papers.

1330. Your Lordship was mentioning an Irish case, which was referred to by a former witness; I think that it was the Land Investment Company of Ireland, was it not?—I think that it was; but if the honourable Member will tell me the name of the gentleman, I shall be able to speak with more certainty upon the point.

1331. The name of the gentleman was Mr. David Leopold Lewis?—That is the case.

1332. A former witness stated that the directors had within a fortnight of their incorporation given acceptances to the amount of 480,000 *l.*?—Yes, but not in hard money, because they had not it to give; but they gave him acceptances and the like, which enabled him to raise the money upon the security of the company.

1333. Was there any punishment inflicted upon those directors in any way for this fraudulent conduct?—Not the slightest.

1334. And they have got off with entire impunity?—With entire impunity.

1335. How did that occur; were there no means on the part of the court of making them amenable?—They had not been brought before the court in any way to be made amenable. The only way in which I knew anything about it arose in this way, that one of the directors having, I think, 100 shares (my figures may be wrong, but I think they are right), and 20 shares being all that was necessary for the purpose of his qualification as a director, went to a broker in the city and desired him to sell 80 shares; and he sold the 80 shares, and sold them in the market perfectly fairly, got the price for them and paid it to the director. They were bought by this Mr. Leopold Lewis, who if I recollect right when the company was wound up, or rather when he became bankrupt, was the owner of three-fourths of the shares of the company.

1336. They were transferred to him fraudulently, were they not?—I do not know whether they were transferred to him fraudulently or not. They were bought up and transferred to him, but these shares were sold *bonâ fide*. The application before me was to fix this director as a contributory upon the company in respect of the 100 shares, and not in respect of the 20 shares. The transfer had been duly made in the books, in the register of shares, and I thought that, notwithstanding all the affairs of this company, I could not fix him as a contributory for more than the 20 shares. He had gone into the market, and had not told the broker to sell them to any person in particular, and the fact of the broker's selling them to another director was not known to the director who sold them, and he was paid the market price for them, whatever it was. Accordingly he got off with impunity to this extent, that he only became liable for contribution upon 20 shares instead of 100 shares.

1337. The consequence is, I suppose, that there is a very heavy liability upon the innocent shareholders?—I am afraid the loss will fall upon the creditors, as it does for the most part. The shareholders will be little hurt; it is the creditors who will suffer in these cases. But you will understand that the Court of Chancery has no power of punishing persons. I cannot deal with it penally; the only way in which they can be punished is incidentally by touching their pockets, and by their being made contributaries for a larger or a lesser amount of shares.

1338. *Chairman.*] Does your Lordship suggest any additional legislation by which cases of that kind might be reached?—I think you might do a great deal by compelling the immediate or rapid registration of shares; and I think, also, that you might introduce some legislation which would prevent the nominal sale of shares, or the transfer of shares to a director, which is merely nominal when a company is about to be wound up; but I cannot say that I have so carefully considered the remedies for the defects in the Act. I have thought of it several times, but I have been very much puzzled with the difficulty of dealing with the case.

1339. Mr. *Finlay.*] With regard to the power given to the directors in some of those companies, a previous witness has stated to the Committee that the directors can increase the capital to any amount without consulting the shareholders; is your Lordship aware of that fact?—No.

1340. We have it in evidence, I think; is it desirable, in your opinion, that that power should be continued?—I should think that would be a very undesirable power, but that power can only be given by the articles of association.

1341. It is in the articles of association of some of the companies?—Yes; and therefore a person ought to consider before he joins a company what power he gives to the persons who are to manage it. But I think that you would be directing legislation in a wrong direction, if you attempted to fetter the voluntary acts of those persons. If 100 persons join together and say, knowingly, "We will allow 10 persons to manage the concern for us, and we will each subscribe a certain number of shares in certain amount, but advisedly we give you the power of doubling our liability;" why should they not be allowed to do it?

1342. The difficulty appears to arise from this, that shareholders in the country, for instance, have

have no means of knowing what the articles of association are; they seem to be very voluminous, and even if they had possession of them, they perhaps could not understand them; then what remedy have they, if they cannot tell exactly what power the directors have?—I admit that there is very great difficulty in making them understand what the articles of association are; but I do not think it would be wise to fetter the powers of persons who choose to enter into such undertakings.

1343. One of the witnesses has stated that the articles of association were so complicated, that even a lawyer could hardly tell what the meaning of them was; they give power to alter the constitution of the company, and to apply their capital to other purposes, and in fact to do everything they choose; is your Lordship aware that that is the case?—That I have no doubt is quite true. I have seen many articles of association of which it is exceedingly difficult to understand the meaning; but if persons choose to enter into a partnership with such articles, I think it is doubtful policy that Parliament should interfere to prevent it. Supposing four persons choose to set up as brewers, would you fetter the terms upon which they chose to carry on their partnership? I apprehend that that would be a very dangerous course of legislation. It is very desirable that you should take all the means you can to make it as public, and to make it as well understood by the public, as possible; but the point to which I think you ought to direct your attention is, to make it the interest of the persons who manage the concern, so to manage it as that it should not injure others.

1344. By increasing the responsibility of the directors?—I think that is the best direction.

1345. The objection to that stated by some of the previous witnesses is, that they think you would get a less responsible body of directors?—Then you would get fewer shareholders.

1346. With regard to the winding up of companies, we have been told that a petition from one shareholder or from one creditor to the extent of 50 *l.* and upwards, will cause a company to be wound up, and that that power has been used in several instances for fraudulent purposes, to get the companies wound up by persons who are called "wreckers," who make a profit out of the winding up?—That may be so; but of course one ought to have the Act of 1862 before one in speaking upon the subject. If I recollect rightly, it is the 79th section which lays down what are the reasons why a company should be wound up. It must come expressly within the terms which are there specified. There is only one which, as I remember, is very general; it is that in every case where the court thinks it fit and proper the company shall be wound up. The court has always treated these as what we technically call words *ejusdem generis*, that is to say, it must be of the same character with those which have gone before. "Whenever the company has passed a special resolution requiring the company to be wound up by the court; whenever the company does not commence its business within a year from its incorporation, or suspends its business for the space of a whole year; whenever the members are reduced in number to less than seven; whenever the company is unable to pay its debts;" those practically are all the cases. A single shareholder, therefore, must prove one of those cases before he can get the company wound up.

1347. Then your Lordship thinks that no alteration is necessary in those powers?—I do not see why you should not allow a single shareholder to do it. Generally speaking, you would find it very easy to get a number of shareholders to do it. Supposing there is one shareholder who holds 1,000 shares; his interest is as great as that of 10 shareholders who only hold 1,000 shares between them.

1348. It appears that it is the petition which is so much objected to; that the petition has to be published; and that that destroys the credit of the company, although the company may not be wound up afterwards; is your Lordship aware that that is the case?—I daresay that that is so. I have known cases in which I have endeavoured to visit as severely as I could a creditor who has presented a petition for winding up a company, merely for the purpose of putting a pressure upon the company to pay a contested debt when the debt was *bonâ fide* contested, and has thought that the evil arising from the fact of a petition being presented would induce the company to pay the debt rather than contest it. Whenever those cases have occurred before me, of which there have been two or three, I have always dismissed the petition with costs.

1349. It has been suggested that in such a case the creditor or shareholder should not be allowed to petition or to make public his petition without the sanction of the court, is your Lordship of that opinion?—That would be only adding to the expense by an additional step, because he must have applied for leave. If he is allowed to make an *ex parte* statement, he will get leave as a matter of course; and if he is obliged to prove his case, and to serve those persons who are interested in opposing it, you will be only hearing the petition twice over.

1350. Then there are no means of preventing a petition being made public without an expensive action?—I do not think there is. In point of fact, in *bonâ fide* companies those petitions are never presented, except once or twice where a creditor does it for a sinister purpose.

1351. Mr. *Kirkman Hodgson.*] I think your Lordship was asked whether you had not seen a great deal of fraud in those companies which were brought before you to be wound up, in many cases?—Yes.

1352. Have you formed any opinion as to whether the amount of fraud is increased by the Limited Liability Act; did not the same amount of fraud exist under other companies which were unlimited?—I saw less of them; but I cannot say that I am prepared to state that there is any difference between the two, having regard to the greatly increased number of companies.

1353. But is there any necessary connection, in your Lordship's opinion, between fraud and the Limited Liability Act?—I stated in the beginning of my evidence, I think, in answer to the chairman, that I was quite satisfied that there were several companies which had been framed for the mere purpose of being wound up; and I doubt whether that would have been done, except under the Limited Liability Act; that is to say, that the promoters of the company were perfectly well satisfied that they could do nothing, and that it was intended to make a profit out of the winding-

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up afterwards; and that the persons who were preyed upon were a few shareholders and a few creditors.

1354. I think your Lordship also mentioned that you saw only the bad companies; only companies which had failed?—That is so, except very rarely.

1355. You have had no means of forming an idea as to the effect of the Limited Liability Act in the establishment of good companies?—No.

1356. Have you not reason to believe that, especially in the establishment of small local companies, such as gas companies and water companies, the Act has had a very beneficial effect?—I dare say that it has been so; but I have not had the means of judging of that. In fact, gentlemen who are engaged in commerce and business would understand that better than I do.

1357. But I think I gathered from your Lordship, that you are decidedly of opinion that no legislation should take place to prevent action, on the part either of the shareholders, the promoters, or directors of companies, provided there is no fraudulent concealment?—All I should be disposed to do would be to increase the responsibility in certain places.

1358. *Chairman.*] That is to say, the responsibility of the promoters and of the directors?—Yes.

1359. Mr. *Kirkman Hodgson.*] I believe it was the custom when the companies first began to come in large numbers under the operation of the Winding-up Act, for the official liquidators to employ the balances which they received, and to use them if they pleased?—Yes.

1360. That was stopped, was it not?—I do not know that it was stopped, but I have always expressed myself very strongly against it. That was in the case of voluntary winding-up, because in compulsory winding-up that cannot happen. Unquestionably, I have known that that was done to a considerable extent, and of course, if an official liquidator failed, a very serious consequence indeed might follow. For instance, I have been in constant apprehension (which I believe is not at present very well founded) that if some great official liquidator failed, and if then some joint stock company who became surety for him, finding the amount of suretyship which it was called upon to provide for him was too great, should fail too, the security for the official liquidators, for the most part, would be gone; for the greater part of the securities are, I believe, given by joint stock companies, and rarely by friends; and if the liability should be very great, so as seriously to affect one of those companies, the result would be a very serious one. The Committee will perhaps also allow me to state, that this bears upon the question of the remuneration of the official liquidators, for they are obliged to pay very considerable sums to induce a company to become security for them.

1361. I do not know whether it was in your Lordship's chambers, but there was a very strong expression of opinion, either from your Lordship, or from one of the Vice Chancellors, that the official liquidators were to be held responsible for any loss which might be incurred in the employment of those balances; and, in consequence, they called in their balances to the extent of considerably more than a million, and that, indeed, affected for the time the money market of London?—I think it was from me that the statement proceeded, that they would all be liable for any loss, as unquestionably they would; but I was not aware, till the honourable Member told me, that such had been the effect.

1362. I suppose that your Lordship ranks at its proper value that assertion of the danger in the clerks carrying the money?—I take for granted that it is nothing; because I presume that it is in the same way as they do in payments from the Custom House. You may do a great number of things which ensure security.

1363. Mr. *Stephen Cave.*] Could your Lordship suggest any way in which the public would be more protected by registration than they are at present?—I feel very great difficulty in that; I think that a registrar must be a mere ministerial officer, and that you cannot make him a judicial officer. All that you can do is to make him see that the thing is strictly correct as to form, and that if it is he must register it.

1364. You would strictly confine him to that office?—I would.

1365. And you would not allow him to ask any question in case of any suspicious circumstances?—I would allow him to do anything which was necessary for showing that the registration was proper. If he thought that an instrument was forged or had been tampered with, I would allow him to ask any of those questions which are sritctly proper for a mere ministerial officer, but I would not allow him to exercise any judicial functions.

1366. You would not allow him to inquire into the amount of the capital, if it occurred to him that the amount was not sufficient, or to go into any question of that sort?—Not unless Parliament said that he should not register a company unless there was so much capital.

1367. It has been suggested by former witnesses, that the registrar might act in very much a judicial capacity, and might protect the public to a great extent, by inquiring rather more than he does at present into the details?—Then he must hear the case argued. You would not allow him to exercise judicial functions, I assume, without hearing it argued?

1368. Then your Lordship's opinion would be, that if he was to undertake those duties, he must be a judge of high position rather than a ministerial officer?—I do not say that he need be a judge of high position; but he must be a judge, and there must be an appeal from him to some Court to correct his errors. The moment that you make him judicial, then you must allow the persons to take care that his judgments are corrected when they are erroneous.

1369. The difference between that system and the present would be that the examination into irregularities would take place before the public had been induced to embark in those schemes, whereas now it takes place afterwards?—I am not sure that it would in that case take place before. A great many persons are induced to join a company and to take shares before the registration actually takes place, and the registration takes place, I may say, simultaneously with the allotment of shares; but they have all agreed to take the shares previously.

1370. However, at present, such an examination takes place after more mischief has been done than under the former supposition?—I am not

not sure; I do not quite understand in what way.

1371. The point to which I wish to bring your Lordship is this; whether, by some extension of the functions of the registrar, you could not put a finger at once upon a company which was quite certain to be rotten at the outset, and so prevent the mischief which would take place by such a company going into trade?—I think that it would be very difficult to tell whether or not the company was rotten at the outset. Certainly some of the companies which have been before me to be wound up are exceedingly plausible, and others which have not come before me, but which I have known of incidentally as prosperous, look very unfavourable.

1372. We have heard of such a case as that of seven men in a public-house being promoters of a company, and bringing out the company; has your Lordship heard of such a case?—I did not know that any such case had existed; but whom would they get to take shares with them?

1373. *Chairman.*] The case was that of a company which was concocted by seven promoters, each with a share of nominal value, drinking together in a public-house?—If persons choose to trust seven men drinking in a public-house, I do not see how you are to prevent it.

1374. Mr. *Stephen Cave.*] You think, then, that, on the whole, it would be dangerous, and in fact impossible, to give the Registrar any further power than he now possesses?—I do.

1375. And that he would be more likely to make mistakes if he endeavoured to act judicially than to do real good in preventing fraud?—I think so. You would have great complaints made of the Registrar.

1376. Can your Lordship suggest any more complete registration than that which is already in existence?—You might, of course, if you required more responsibility on the part of the promoters, and the like, require that some securities should be registered, to show that they had some property which might be made available; but I do not know how that would operate. I think that the Registrar's office should be merely ministerial.

1377. In that case, you would have to empower the Registrar to look into the value of such security, would you not?—He would see that upon the face of it; if it were a bond for a thousand pounds, for instance.

1378. Then of course he would be obliged to take for granted the solvency of the parties to the bond?—He would. You could not go through the practice of enabling him to call upon the obligor to do what occurs in courts of law when a person is called upon to justify bail.

1379. Your Lordship stated just now, that the best way of meeting the difficulty with regard to the amount of shares would be not to call up the balance; but is it not the fact, that so large an outstanding balance uncalled interferes very much with the negotiability of such shares?—I doubt it. I do not believe that it does interfere with it at all; but if it does, I believe that it is a very wholesome interference, and that it is very desirable, if the shares are not really good shares, that they should not be easily sold in the market.

1380. But would it not be likely to deter a person who only had a limited amount to invest, if he was an honest man, and intended to pay his debts, from taking a share upon which the uncalled amount was so large?—I should not think that an evil. It would make him hesitate, and consider the thing more carefully.

1381. Supposing that there is any reality in such an inconvenience, does your Lordship think that there is any real danger in allowing share capital to be diminished as has been proposed?—I think that it would be very hard upon the creditors who had advanced their goods on the faith of the shareholders being liable to the extent of 50 *l.* a-piece, to find that they are only liable to the extent of 25 *l.*

1382. Supposing that the company was not in debt, and that consequently there were no creditors, at present it could not reduce its share capital without winding up and being re-constituted, which is an expensive and tedious operation; would there be any difficulty or any danger, supposing the company was not in debt, in allowing them by simple registration to diminish the value of their shares?—I think, if you would consider how that would work, you would see that that was not necessary at all. Supposing there are no creditors, the winding up is no trouble at all; there is no expense of any sort or description; a voluntary winding-up would do it at once. They put an end to the company, and they form a new one; and they have only to get such shareholders as choose to join the new company. It is merely a thing done on paper, provided that all the persons have paid up their shares in due proportions. There may be a small balance of calls to be paid up, but that would be speedily obtained. Supposing that there are creditors, then you ought to pay those creditors before you diminish the shares, and a winding up is necessary for that purpose; but a voluntary winding up is not a very expensive proceeding. It involves, no doubt, the official liquidator's getting in the assets, ascertaining the debts, and paying the debts; but the expense is not considerable. Ordinarily speaking, there are no questions to arise; but it would be very hard upon the creditors of the old company (because, in fact, you are forming a new company), if they were only to come in *pari passu* with the creditors of the new company with a diminished amount of capital.

1383. Would not that difficulty be avoided by making the shareholders liable to the extent of their former capital until the debts were paid which were then existing?—But if you confined it to creditors who were existing before the alteration took place, then you ought to give very complete notice to the new creditors that they would get nothing until the old creditors were paid; and the result of that would be to introduce classes of creditors, one class having the priority over the other, which is a considerable evil, and gives rise to a great amount of litigation.

1384. Your Lordship is aware that an unlimited company can transform itself into a limited company, and thereby reduce its liability by merely giving a notice of 30 days?—Yes.

1385. Would there be a greater evil in a limited company reducing its liability in the same way?—I apprehend that when an unlimited company does that, the creditors before that time have a right to come to an unlimited extent upon the fortunes of the shareholders. You do not affect their rights; it is only the creditors who are created since the change who are affected by that, and then they know of it.

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1386. That would be creating two classes of creditors, in fact?—It would no doubt be creating two classes of creditors, but the other creditors would have an unlimited fund to go upon, and there is no question but that they would all be paid; whereas in the other case you would have two classes of creditors with a fund which very likely would not be sufficient to pay both.

1387. Does your Lordship see any difficulty in the reduction of the denomination of shares, keeping the same amount of capital?—I have not considered that point very much.

1388. It has been proposed to divide a 100 *l.* share for instance, into ten 10 *l.* shares, retaining the same aggregate amount of capital; do you see any difficulty in that?—Generally speaking, the smaller the amount of the shares, the less *bonâ fide* is the company; that is the experience which we have in the Court. There are very few of the companies which are wound up which have 100 *l.* shares; the companies which are wound up, have 10 *l.* and 5 *l.* shares, and the like.

1389. Then your Lordship thinks that by reducing the value of individual shares, you get a less responsible body of shareholders?—I do.

1390. That of course would be of no consequence if the whole amount was paid up?—No.

1391. Mr. *W. E. Forster.*] I think your Lordship stated that your official duties brought you into contact with a great number of persons who have been seriously injured by limited companies?—Only in the way of their writing letters to me, but in no other way.

1392. But you have become aware of a very great many cases of distress?—Yes.

1393. To what do you attribute this distress?—I attribute it to the folly of the persons in taking shares, I confess. There always will be a great number of foolish people.

1394. Then the fact being that they have been foolish enough to try to obtain the profits of business without the knowledge of business, I think I should gather that your Lordship's opinion was that, because they had so injured themselves by their own folly, you would not prevent men who had a knowledge of business from agreeing together in any manner they like to effect their bargains?—No; but I also think that it is the duty of the Government and of legislation, as far as you can, to protect people who are ignorant and foolish. They are the persons who want protection, and as far as you can you are bound to protect them. It is not sufficient to say, because a man is a foolish person, therefore he must be allowed to ruin himself in his own way.

1395. Do you not think that there is this danger, that when you have to deal with a foolish man, if you attempt to protect him he may so far rely upon your attempt that he may feel himself released from any attempt to protect himself?—That may be so, but I cannot tell until it is tried.

1396. I think that I understood practically, that almost the only mode in which your Lordship would suggest that the foolish men should be protected was by enforcing more responsibility upon the directors?—The way in which I intended to state the principle is, that it should be the interest of persons to manage it so as to protect the foolish man.

1397. And for that purpose you would impose a larger responsibility upon the directors than that which at present exists?—I think that that would be one mode of doing it; but the object is to make the interests identical.

1398. In doing this, would your Lordship think it right to make it a legislative enactment that a company should not be allowed to elect their own directors, and to put them in any position that they pleased?—I should not at all approve of that.

1399. You would not approve of such prevention?—No. Why should they not elect their own directors, and put those directors in any position they pleased; all I thought might be desirable was, that when they were once elected they should incur a greater amount of pecuniary responsibility than they incur at present.

1400. But what I meant by my previous question was, that in electing them as they pleased they would very probably, in many cases, please to elect them, as they are at present elected, with no greater responsibility than that which at present exists; would you prevent them by law from doing so?—Yes.

1401. Do you not think that it is an interference with the liberty of bargain of one tradesman with another, that a man should not be allowed to enter a company in which the directors had no greater responsibility than the shareholders?—That does not appear to me to be a question of bargain at all; you cannot enter into a bargain that you shall not be liable to pay your debts to another person.

1402. Perhaps I have not used the right word; but I will put a case which will illustrate my meaning: suppose that there are a number of persons agreeing together to form a bank upon the limited liability principle; they think that they can best manage that bank by electing such men as they think fit as directors, and electing them upon the present principle of their being no more responsible than they are at present, and they would allege, either rightly or wrongly, that they were more likely to obtain good directors by that process than by any other; would you prevent them by law from doing so?—I would; and I merely suggest this: they might take it into their heads that the directors would do best if they had no liability at all. Of course it is exactly the same contract. They might have persons who should not be liable to pay a penny to anybody, and might do what they liked. I would not allow that to be done.

1403. Supposing that persons should choose to entrust their property, as they very frequently do now, to a manager who is not a director, but a paid servant; would you prevent them by law from doing so?—I would not prevent them from employing the manager, but I would make the manager liable to a certain extent.

1404. Your Lordship would make a legislative enactment, that in no case should a limited joint stock company entrust power to a paid manager who was not responsible by the whole of his property, who might cause ruin or great loss to individual shareholders?—I do not see how it could cause loss to individual shareholders.

1405. We will suppose that shareholders establish a bank; that they give great power in the management of that bank to its manager; that that manager is either indiscreet or has other faults, and that consequently they lose a great deal of money: in order to prevent the recurrence of such a disaster as that, would your Lordship

Lordship lay it down by law, that in no case is the manager of a bank not to be responsible in the whole of his property?—In the first place, I did not suggest that the manager should be responsible in the whole of his property. I suggested that he should be responsible for a limited amount; but assuming it to be so, I do not see how the shareholder would be a bit the worse for that. If the manager had sufficient confidence in himself, if he was well paid, and if he understood the business, it would not in the slightest degree interfere with his accepting the office; it would only afford a greater security to the public, that he would not be reckless in what he proposed, because he himself would be affected by it. Now, observe how this operates in the foreign system, which has been existing now, I suppose, for half a century and upwards. There the persons constituting the *gérant* are liable for the full extent of their fortunes. I am not prepared to suggest that that is desirable. The *gérant* would of course include the directors and the managers, and probably the secretary of the company; but it has never been found there that any difficulty has arisen in procuring fit and proper managers, that I am aware of.

1406. Perhaps your Lordship is not aware of it, but is it not the case that on the Continent (in France, I think it is), while there is the power to form a company in which the *gérant* should be responsible for the whole of his property, there is also power to form a company in which he is not so responsible?—I was not aware that that was so.

1407. Would your Lordship wish to go farther by legislative enactment than to give power to the companies to be formed upon this principle, if they so pleased it, in which the manager or directors should be responsible without so far interfering with the freedom of trade as to make it impossible for companies to be formed upon any other principle?—I would also make the directors responsible in a larger pecuniary amount than other persons.

1408. Would you apply the same principle to railways?—I would apply it to everything. It is less important for railways, because they have usually a separate Act for each, and are not under the Limited Liability Act.

1409. But you would think that the same principle would render it desirable that no Railway Act in future should be passed without making the directors responsible for a larger share of their property than the shares which they take?—Yes, I think it would be a desirable thing. It is very little required unquestionably in railways, or at least in railways which are *bonâ fide* carried into execution; but in the case of railways which are merely for the purpose of obtaining money and paying certain persons, I think that would have a beneficial result.

1410. There have been one or two cases lately, have there not, in which very great loss has accrued to the shareholders from the mismanagement of railways?—There have been a great many railways in which nothing has been done at all, except getting a little money and dividing it amongst a few persons.

1411. Generally speaking, your experience of the working of this Act would induce you so far to interfere with the liberty and freedom of men of business making arrangements one with another that you would not allow them to form a company in which the director was not largely responsible? —I do not think that would be an interference with the freedom of trade or of bargaining, and therefore I cannot answer the question in that form; but I think it would be a desirable thing to prevent persons from joining in a company in which their nominal shares should be 100 *l.*, of which they should be liable to pay only 50 *l.* The same principle would apply to both, and that may be put in the same way as an interference with trade.

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1412. When you say that it is not an interference with the freedom of trade, I presume your Lordship means by that, that tradesmen would not think that the restriction was an injurious one?—I mean that it would not fetter the employment of capital; I think the *bonâ fide* employment of capital would not be affected by it.

1413. Then your Lordship means that such a restriction (for I can hardly call it less than a restriction, as it is the prevention of certain things being done) would not have the injurious effect of interfering with the employment of capital?—I think not; on the contrary, I think it would only prevent the prejudicial employment of capital. Of course, if you only want the capital employed to be employed in bubble schemes, you might say that no person employed in a company should be liable to pay more than 10 *s.* in the pound. Let them agree upon that footing, and let it be purely advertised to the public, and let them join in it if they think fit, but I consider those as only means of defrauding the public.

1414. Would you apply the same principle to unlimited joint stock companies?—Yes.

1415. Then you would have an enactment by which the manager of an unlimited joint stock bank should be made responsible for his property? —For a certain amount: but I would not say to the whole extent of his fortune.

1416. I suppose your Lordship is aware that there are very many well-managed banks at present, in which there is no such arrangement as that with the manager?—I am well aware of it; but I also believe that in those banks, if you made the manager liable for the whole amount of his fortune it would not produce the slightest alteration.

1417. Then your Lordship will be quite prepared so far to interfere with those people's management of their own business, as to impose upon them that condition in its management?—I do not think that that is interference with them; they can agree together in any form they think fit, so far as their own interests alone are concerned, but not so far as the interests of third persons are concerned, who are no parties to the contract.

1418. Surely, your Lordship would consider it an interference, would you not, in the case in which a joint stock bank has a manager in whom it reposes confidence, and who is paid by a fixed salary only, if you enacted a law by which the position of that manager was changed into one in which he was responsible for a very large sum of money, or for every penny which he had?—Not more than any law is an interference. The law interferes when it compels you to pay your debts. The only question, I apprehend, is this; whether it interferes with a profitable employment of capital in *bonâ fide* schemes. That is the only way in which I have looked at it, and I believe

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believe that it would not do so, although I may be mistaken in that view of the case.

1419. But, comparing that to the case of making a man pay his debts, would not the difference be, that in that case you would make this man a debtor for a far larger sum than he was liable for before the Act was passed, if you make him responsible by his property for all the liabilities of the company?—By the law of this country, independently of any Act of Parliament, those companies are partnerships; and, as a partner is individually liable for the whole amount of the debts, Parliament interferes, in order to limit that which is the law, and the question is to what extent you should carry that limit. You should carry that limit, as it appears to me, to this extent; that it does not fetter the profitable employment of capital in *bonâ fide* schemes, and I believe that you would not fetter it by saying that, so far as the directors and managers are concerned, they should be liable to more than the other shareholders. The limit I do not pretend to fix.

1420. Your Lordship makes that suggestion in the belief that the Legislature can define the conditions upon which capital can be profitably employed?—I do not; I have not the slightest notion how it can define how capital can be profitably employed. That appears to me to be a matter to be decided solely by experience.

1421. In speaking of the costs of the official liquidators, does your Lordship make regulations with regard to the payment of the voluntary liquidators also?—Never.

1422. A very large amount of the business which is brought before you, is wound up, is it not, by voluntary liquidators?—A very large amount.

1423. A question has been asked you with regard to the very large profits made by the liquidators; are not those profits chiefly made in the case of voluntary liquidation, rather than in the case of official liquidation?—I should have thought not, but I cannot answer the question from experience. I am satisfied that the official liquidators make very large profits now.

1424. Are the official liquidators the same men as the voluntary liquidators?—I should think that they were, to a very great extent, but I do not know. There are a great number of persons who are official liquidators in voluntary cases, of whom I know nothing officially. The shareholders select persons of whom they approve. Unfortunately, one of the evils attendant on the election of official liquidators is that there is usually a contest as to who should be appointed, between three or four persons, each set of shareholders wishing to put their own man there. There is a good deal of expense incurred in this, and the Court has the very difficult function to perform of choosing between two or three equally fit men to whom it shall give this particular duty. This is really not, properly speaking, a judicial function at all.

1425. Is there any means by which the liquidators' costs are officially taxed now?—They are allowed by the chief clerk in each separate case after communication with me; I speak solely of my own chambers.

1426. Supposing that there was an evident overcharge, would it be in the power of the chief clerk to tax it?—Yes, they only get what they are allowed.

1427. Would the same power apply in any way to the charges of the voluntary liquidators?—Not at all, unless it is brought before me. It might be brought before me.

1428. Could it be officially brought before you, or would it be brought before you by a species of arbitration, both parties agreeing to refer it to you?—One party might say, "This is an improper charge to be allowed."

1429. Then there is an appeal to your Lordship in the case of voluntary liquidation from either party?—I think so; I think that in one of the clauses of the Act you will find that there is a power to deal with the matter exactly in the same manner as in a compulsory winding up; I am not sure whether it is not the 138th clause.

1430. *Chairman.*] In fact, the accounts have to be passed, I think?—The accounts have to be passed.

1431. Mr. *W. E. Forster.*] I think I understood your Lordship not to suggest any means by which more publicity should be secured?—I think that it is very desirable to give as much publicity as possible, but I do not know how you can obtain it.

1432. *Chairman.*] I think that your Lordship is aware that in all Railway Acts, Parliament has interfered in the way suggested to fix a limit to the amount of stock which a director should hold?—Yes.

1433. Lord *Frederick Cavendish.*] If, as your Lordship suggested, directors were made liable to a greater extent than other shareholders, would there not be a great difficulty in the case of a company getting into difficulties, if they desired to have a change of directors, in getting good directors?—I dare say that there might be, if the company was not a very good one, but I do not think that there would be any difficulty in the case of a good company.

1434. But in the case of a company which had been mismanaged, would there not be a great difficulty in getting a better class of directors, and improving the management?—I cannot tell whether that would be so, or not; but I presume that most persons would be very unwilling to become directors of a company which was not very sure to be solvent.

1435. Then, what would be the remedy for a company which had had the misfortune of having bad directors?—A director, of course, would not be liable, according to any suggestion of mine, for debts incurred after the time when he has ceased to be a director, or for debts incurred previously to the time when he became a director.

1436. Mr. Alderman *Salomons.*] With regard to registration, could your Lordship suggest to the Committee what course could be adopted to compel parties to register their shares?—There is a great difficulty in that. I am not sure how you could do it.

1437. You have suggested that it is desirable that they should register their shares after they have paid for them?—I think it is very desirable that a man should get rid of his liability as a shareholder as soon as he has sold his shares, that is within a reasonable time.

1438. Can your Lordship suggest, from the experience which you have had, any way by which that can be done?—I am not sure that I know of any effectual mode of doing it.

1439. Could it be done in this way; if before the deed was passed, it should go through the company's

company's office so that they might have a knowledge of the party who was about to take the shares?—As I apprehend, at present, when a person sells shares (though the Committee know that much better than I do, probably), he sends them to a stockbroker, with a direction to sell, who tells him that he has sold them, and then the seller executes an assignment of the shares in blank. That, I believe, is the ordinary mode in which it is done, and then that is given over to the stockbroker who has bought the shares, who then fills it up whenever he pleases, and takes it to the company's office for the purpose of its being registered, and the transfer of the shares being made; I have known them kept for two or three months in several cases.

1440. I apprehend that the shares being transferred in blank is an exception. What I was going to suggest to your Lordship is this, in the transfer of Government Stock at the Bank of England the name has to be inscribed in a book at the Bank itself, and then the transfer takes place; might not some process of that kind take place in the company's office, so that they might have a cognizance of the party who is going to take a share, and then your Lordship might be able to suggest some means to compel them to register the buyer in lieu of the seller? —No doubt that could be done, and would be beneficial, but that is a point upon which gentlemen who are acquainted with the management and the sale of stock and shares in the City, would be able to suggest things of which I am ignorant. I have had many cases before me in which the question was in the case of a company which was being wound up, whether A. was to be the contributory or B. A. had two or three months before the company was wound up, or was in very great difficulties, *bonâ fide* sold his shares in the stock market, and had executed an assignment in blank, and then when the company was wound up it appeared that though he had sold his shares before that time, they had not been lodged with the office to be registered, and he has been kept as a shareholder upon the list of contributories, because it so appears by the books of the company. That is a very hard case; and if you can prevent it, it is very desirable that you should do so. I think that the plan which the honourable Member suggests would probably be useful, but it would be some fetter upon the transfer of shares.

1441. At present, what one may describe as a sort of inchoate transfer takes place?—Yes.

1442. That is to say, I have sold my shares. I sign a deed and I receive my money, and then I am left in ignorance whether those shares are registered or not?—Yes; I have had one case before me which was of this character. A man *bonâ fide* sold shares to A. B., who bought them on behalf of another person, but there were contested accounts between A. B. and that other person, who would not accept the shares until those accounts were settled; and the company failed before any transfer of the shares took place, though the seller was constantly applying to have it done.

1443. Then your Lordship would consider that among the amendments made to the Companies Act, there should be some amendment in the law with regard to the registration of the transfer of shares?—I should.

1444. *Chairman.*] There has been a suggestion made with respect to a duplicate transfer, the buyer having one and the seller another, and that if the buyer did not register the seller might do so?—If he knew the name, and if you said that the transfer should not take place by assignment in blank (which does take place now to a considerable extent) it might be very possible.

1445. Mr. Alderman *Salomons.*] I believe that that is done very much to avoid the stamp laws, which are very oppressive, and which create great difficulty in the transfer of shares?—That is probably the object.

1446. Mr. *Solicitor General.*] Have there been cases in your Lordship's Court where former shareholders, who have transferred their shares, have been put on the list and made liable?—Yes.

1447. I believe that they are not liable after they have parted with their shares for a year?—I do not think that any persons have been made liable where the transfer of shares has taken place in the books of the company.

1448. Has there been any difficulty, practically, in making them liable, or has it never become necessary to make them liable?—I do not think that they can be made liable.

1449. I thought that if they had parted with their shares they were still liable for one year under the Act; we understood from one of the witnesses who have been here, that the practice of the court was not to make a shareholder who had transferred his shares liable until the whole of the existing body of shareholders had been exhausted; is that so?—That is so unquestionably; but I do not remember the case of any former shareholder having been made liable, or at least, I do not bear it in my mind at present.

1450. Has it generally been the case, as regards the payment of debts, that the funds which have been obtained from the shareholders generally have been sufficient to pay the debts?—Nothing like it. There are one or two perfectly *bona fide* cases which I have before me at this moment, such as the Birmingham Bank, and some others I could mention, which I believe will pay 20*s.* in the pound, and all the expenses, without making a single call on any one of the shareholders.

1451. But in the majority of instances the creditors do not get their money?—No.

1452. Will the largest number of shareholders in that bank be able to pay up their calls?—There will be a great many defaulters, no doubt, but my chief clerks will give the committee information about that very accurately. There are a great many cases in which the assets of the company have not been sufficient to pay the expenses.

1453. Mr. *Lowe.*] I understand that your Lordship would prohibit the employment of agents by companies unless they undertook a certain responsibility?—I do not know that I should object to the employment of agents.

1454. Managers and directors?—Yes; persons who really manage the concern, who unquestionably would be the agents, I would make liable to a greater amount than at present.

1455. That is to say, you would prohibit people from employing them unless they were liable to that amount?—You may put it in that form if you please.

1456. Would you extend that prohibition to individuals?—Of course you are liable for what your agent does, to the scope of his authority.

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1457. Would you make me liable for a certain share of the transaction, or would you allow it to stand as a matter of commission altogether?—If you employ an agent, and he acts within the scope of his agency, then of course you are liable, but if he exceeds the scope of his agency, then you are not liable, and he is; now the object of this is to prevent persons from departing from the scope of their agency.

1458. Then you would not extend it to individuals?—I think that the rule now exists with respect to individuals.

1459. But supposing that I wanted to dispense with it, you would not allow me to do so?—I do not think that the law would allow you to do it. If you carry on business, you carry it on on the principle of unlimited liability, and your agent whom you employ cannot relieve you from that; if he goes beyond it, he makes himself liable.

1460. I suppose that you admit that this is an infraction of the general liberty of contract which people have?—No, I do not.

1461. Is not the relation of principal and agent the result of contract?—Yes, so far as regards themselves, but the rule of law is so as regards principal and agent, as it affects others.

1462. I am speaking now of companies; you say that companies shall not employ a certain class of agents, except under certain specified terms and liabilities; is not that infringing the liberty of contract?—It does not appear to me to be so.

1463. The employment of an agent is a contract between the principal and the agent, is it not?—Yes; and as regards themselves alone, they may contract on any terms they please, but you must protect it with respect to persons with whom they deal, and who are no parties to the contract. If you have an unlimited liability, then it may well be that your agent should not be liable to the same extent.

1464. If you compel me by law to exact from him more responsibility than we will say I wish to exact, you curtail, *pro tanto*, my liberty, do you not?—I think not; you may contract as you please as regards yourselves, all that I curtail is the liberty of affecting persons with whom you deal.

1465. It affects me, does it not, if you oblige me to impose a condition upon a person?—It does, to the extent of not injuring others; but the only question is, whether it is a beneficial one or not.

1466. Do you not think that it would be better to leave persons to judge for themselves as to that?—I think not. The question is, whether you should not protect the persons with whom they deal.

1467. Does it not affect me if you make certain restrictions which limit the number of people from whom I can choose?—It affects you very slightly. I do not believe that it would make a difference of one per cent. in the number of persons from whom you can choose.

1468. Do you think that it is founded on a sound principle, that the Legislature should interfere in such a matter?—I think that it is the duty of the Legislature to interfere to protect persons who are likely to be misled by the ill-management of joint stock companies, and I think that the only mode of doing it is to make the interests of the persons who manage identical with those of the persons for whom they manage.

1469. Are the persons of whom you are speaking now shareholders or creditors?—Creditors.

1470. Do you think that it is not enough to leave every man to manage his own affairs, without interference by the Legislature?—I do not think so in dealing with those companies; how can a man tell what is called up, or what is not called up.

1471. He is not obliged to deal with them?—He is not obliged to deal with them, but people are foolish enough to do it.

1472. Do you not think that, in devising these protections for foolish people, you are making fetters for wise ones?—I do not

Tuesday, 9th April 1867.

MEMBERS PRESENT:

Mr. Alderman Salomons.	Mr. Hubbard.
Mr. Stephen Cave.	Mr. Lowe.
Lord Frederick Cavendish.	Mr. Morrison.
Mr. Finlay.	Mr. Watkin.
Mr. Graves.	

EDWARD WILLIAM WATKIN, Esq., IN THE CHAIR.

EDMUND BOYLE CHURCH, Esq., called in; and Examined.

E. B. Church, Esq. 9 April 1867.

1473. *Chairman.*] ARE you one of the Chief Clerks of the Rolls' Court?—I am one of the Chief clerks.

1474. And of course your attention has been much directed recently to the liquidation of companies through the court?—Very much indeed.

1475. Can you give the Committee, generally, some information with reference to the extent of the business which has come before that court, and the peculiar features which have presented themselves in your investigations?—The total number of companies being wound up before the Master of the Rolls is 172; that is in the Rolls' Court alone; my information, of course, is confined to that court. Of those 172 companies there are, as far as I can make out from the returns hitherto made, about 20 or 25 in each of which the nominal capital exceeds one million; there are about 100 whose nominal capital exceeds 100,000*l.*, and about 130 whose nominal capital exceeds 50,000*l.* I am speaking now of nominal capital as distinguished from subscribed capital, or paid-up capital.

1476. Could you give the Committee any notion of the amount of paid-up capital which would be represented?—I could furnish the Committee, in detail, with the amount in the case of each company, but that would probably be tedious, especially as I have here some returns which I think in a few days will be before the House of Commons. But the general result is this: of the companies now being wound up at the Rolls' Court the smallest nominal capital is 5,000*l.*, and the largest nominal capital 4,000,000*l.* The smallest subscribed capital is 60*l.*, and the largest subscribed capital is 2,000,000*l.*

1477. Do you mean subscribed and paid?—No; I am going to distinguish the paid-up capital. The smallest amount of paid-up capital is nothing. There are some companies in which nothing is paid up. The largest amount of paid-up capital is 1,000,000*l.* I have also made a note of the number of shareholders, and I find that the smallest number of shareholders in any winding up is six, and the largest number of shareholders in any winding up is 1,494. The smallest number of shares taken in any case is six, and the largest number is 300,000 in one concern; but I ought to mention that that would rather mislead the Committee. That is the case of the Great Ship Company, where shares were issued at 1*l.* a-piece. The largest number of shares, I think, may be taken to be about 70,000 shares where the shares are of a substantial amount.

1478. In reference to the case where nothing has been paid; how does a company where nothing has been paid get into the Court to be wound up?—At the instance of a creditor desiring to have a call made, for the purpose of having his debt paid.

1479. Then are there a series of cases where nothing has been paid, but where debts have been incurred?—There are a few of such cases.

1480. Are there any peculiar features as to any of those cases, which would illustrate how that happens?—The circumstances which would give rise to that, would be, that a company had been formed which had not taken with the public; but that in the course of the formation and registration of the company, certain debts had been incurred for legal expenses, advertising, and the employment of clerks, and the like.

1481. You mean what would be generally called promotion expenses, I presume?—Yes; promotion expenses.

1482. Not cases where the parties or the directors, without getting any capital subscribed at all, had entered into deliberate engagements or anything of that kind?—Those things would not produce the striking feature of there being no subscription whatever; but there are cases no doubt in which companies have entered into contracts with a very small amount of subscription.

1483. The Master of the Rolls stated to the Committee, that he saw cases in which in his opinion, companies had been got up simply for the purpose of winding up; has that struck you as a feature in the case?—I think that companies are got up simply to procure the promotion money, which is, I suppose, what Lord Romilly meant.

1484. I presume that your experience within the last few months has laid before you a very great amount of misrepresentation and fraud which has accompanied many of those companies?—Very great.

1485. Has the tendency of your opinion been that that fraud and those irregularities have been rather encouraged by the Act of 1862, or that they are irregularities and frauds, such as unfortunately at certain periods in countries like this will happen, notwithstanding any legal precautions?—Undoubtedly the facility for forming joint-stock companies has furnished the means of committing some of the frauds which have been committed.

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committed. It is to be observed that we only see the worst side of limited liability; we only see those things which have been either fraudulent or unfortunate.

1486. Would you say that although there has been no doubt a considerable amount of misfortune, the fraud has been conspicuous and glaring and the cases numerous?—The cases of fraud undoubtedly have been glaring, and I think that I ought also to say that they have been numerous; but during last year there were a considerable number of companies which, so far as I am capable of forming an opinion, fell entirely through misfortune.

1487. From the peculiar financial position of the country, I suppose?—I have before me two banking companies, each of which I hope will out of their own resources pay 20 *s.* in the pound, and each of which will undoubtedly do so, with the assistance of a call.

1488. Those are cases which you put down as cases of misfortune?—Those are cases of misfortune.

1489. You state that you have only seen the very bad side; but on the whole, does it strike you that amendments of the existing Acts may be made which would tend to restrict or prevent the irregularities which have been complained of?—I think that some provision might be made which would have that effect. With regard to the expense of winding up, I think that some misapprehension prevails as to the expense of winding up by the Court. So far as the Court fees are concerned, they are very inconsiderable. I find that the total sum received for fees in the Rolls Chambers in the course of the year 1866 (that is from the 1st of November 1865 to the 1st of November 1866) amounted only to 4,181 *l.*, and upon the best estimate I can make the proportion of that sum paid by joint-stock companies would not exceed one-third, or say, in round figures, 1,500 *l.* That, as the Committee will see, will be something less than 10 *l.* for each company for the year.

1490. How are those fees fixed?—They are fixed by rules made by the Judges, and they are collected by stamps.

1491. Assuming the case of a bank with a capital of a million, which comes into the Court, upon what principle are the fees charged in a case of that kind?—They are charged uniformly to all companies without reference to the amount of money involved, or to the magnitude of the winding up. A fee of so much is paid upon every summons which is taken out before the judge; another fee is paid upon every order that is made by the judge; another fee is paid upon every certificate made by the judge; the certificate being a *resumé* of the result of some labour as to the number of shareholders and the number of creditors and the like. Then certain fees are paid upon every advertisement issued; but, under the rules made by the judges, companies in course of liquidation pay less fees than in ordinary suitors of the Court of Chancery.

1492. Then may the Committee take it that the cost for fees in a year would not average more than 10 *l.* per company?—Not the fees paid in chambers. There are other fees paid to the Court, but they are very inconsiderable.

1493. What are they?—Upon the presentation of a petition to have a company wound up, there would be a fee of 1 *l.*; upon drawing up the order made upon that by the judge, there would be a fee of 1 *l.*; and upon every other order made by the judge court; but I should think a very large compar might probably be wound up from beginning end without paying 100 *l.* in fees to the Court Chancery.

1494. Then there is really no grievance such is complained of, with regard to the fees of th Court itself?—No.

1495. Are the fees similar in Vice Chancell Page Wood's Court?—Precisely; there is a un form rate.

1496. In reference to another matter, whic has been made one of comment, viz. as regar the official liquidators; can you tell the Com mittee upon what principle those liquidators a appointed?—The course adopted is this: some on it may be the company, or it may be a shareholde or it may be a creditor, applies to the judge f an order to wind up. The judge makes an ord for winding up if he sees fit to do so. And th person presenting a petition, or, where there a two petitions, then one of the persons indicated b the judge has the carriage of it; he brings th order into chambers, and a day is then fixed which the chief clerk, in the first instance, an the judge, if necessary, considers the propriety the person to be appointed official liquidator. A the time fixed, any person interested in the com pany is at liberty to attend; one or more perso are proposed; the opinion of the shareholders an the opinion of the creditors is taken, and weig is given to either the one or the other, accordin to the nature of the liquidation. If there a pears to be a clear fund of 20 *s.* in the pound pay the creditors, most weight is given to th views of the shareholders; if, on the other han the company is clearly insolvent, then most weig is given to the views of the creditors; and the the judge, between the several parties propose determines who is to be appointed the liquidato

1497. But I suppose that being, as it were, selection in public, the Court has no means making private inquiries with regard to the parti proposed beforehand?—None whatever. Th Court is always furnished with evidence, but su evidence as, of course Honourable Members w very well understand, is easily produced. At th same time, the liquidators who have been for th most part appointed, are men who are very we known to the Court and to the judge.

1498. In that difficulty the Court have be inclined to lean to the appointment of emine firms, I presume, rather than to that of unknow individuals?—No doubt.

1499. Although that must of course lead some cases to the crowding of a great amount business in one particular office?—It has h that effect.

1500. That being the mode in which liquid tors have been chosen, upon what principle ha they hitherto been paid?—So far as the Act 1862 is concerned, no principle has yet been la down, but the subject is now, I believe, und consideration by the judges. Whatever payme have been made to liquidators have been ma simply on account, reserving the question to determined hereafter as to what their ultima remuneration shall be.

1501. The Committee have been inform that in some cases a payment per day has be understood to be the mode, in other cases that has been a per-centage upon the assets realise and that in other cases a sort of combination the two principles has been adopted; is that s

—I have heard each of those modes of remuneration suggested.

1502. One of the witnesses brought before the Committee a case without mentioning the name, where an official liquidator who had in hand the winding-up of a bank, and who had been employed for five months, with, I think, 12 clerks, sent in a claim for 38,000 *l.*; could you explain to the Committee upon what principle such a claim as that could be made?—I should find great difficulty in explaining to the Committee the principle upon which it could be accepted; but, I suppose, it was made out on the principle of a commission.

1503. I presume that a claim of that kind would not be sanctioned by the Court?—Of course I have no right to say what the Master of the Rolls would do, but if it came before me in the first instance, I should refuse to entertain any such proposal.

1504. To go back for a moment to the question of fees; the fees of the Court being thus moderate, are there any other fees charged in the Court; do you charge any fees?—Nothing whatever; we are paid by salary.

1505. Then, in point of fact, all that a suitor has to pay are the fees of the Court which are fixed by the judges?—That is all.

1506. And you wish the Committee to understand that those fees are very moderate?—I think they are almost unfairly so, as compared with the fees paid by ordinary suitors of the Court of Chancery; I might mention one instance, perhaps, if the Committee would bear with me; suppose the case of a large landowner who is an infant, and whose estates are being managed by the Court; the Court takes from the receiver 10 *s.* in the 100 *l.* upon the net income received by the receiver, but in the case of an official liquidation, no fee is paid in the way of commission on the receipts and payments, although they greatly exceed any amount that could be received in an ordinary Chancery suit, and although the vouching and going through them gives great trouble to the officers of the Court.

1507. Do those fees pay the expenses of the Court?—So far as the portion of the Court to which I belong is concerned, viz., the judge's chambers, certainly not. I have told the Committee that the total amount was 4,100 *l.* only for one year, and that was a large year.

1508. I think that the Master of the Rolls stated to the Committee that, although the amount of business in the last year has been so enormous as you have described, there were no arrears in the Court, and no delay was caused by the Court itself?—As far as the Court is concerned, there is no arrear whatever; but, in Chambers, there is a considerable accumulation of work; you could hardly call it arrears, but in the nature of things a considerable time must elapse in winding up of companies.

1509. It is continuous work, is it not?—It is continuous work.

1510. You were good enough to send me yesterday a memorandum, showing some suggestions of your own in reference to the improvements of the existing law; the first column applies to the position of the promoters of a company; will you kindly explain the suggestions which you wish to lay before the Committee in reference to that?—It occasionally happens that the Memorandum of Association, which, as the Committee are aware, must be signed by seven persons, is signed by seven persons, each of them taking a small amount, sometimes only one single share, the persons being unsubstantial persons, and not capable of contributing anything to the assets of the company; it has appeared to me to be desirable that some provision should be made that every promoter of a company should be compelled to subscribe and pay a deposit upon some substantial number of shares.

1511. Do you think that the facility which is given to promoters by their being allowed to have a nominal interest only, has led to a part of the fraud and irregularity which you speak of?—I think that it has; I think that if promoters were necessarily men of some substance, many things which have been hastily, if not fraudulently, done, would have waited over, and the company would never have come to the point of registration.

1512. But the result of all this experience has been to convince you that if a check of that kind were put upon promoters, the result would be salutary?—I think that it would be so to some extent; but I think that, after all, the public must be let very much to take care of itself, although, at the same time, some such checks as these might be of some use.

1513. Are you aware that in railway companies and many other companies, the Legislature has fixed a minimum sum, which each director shall hold, and therefore that would form a precedent for what you suggest?—Precisely.

1514. In reference to the registration of the Articles of Association, have you any suggestion to make?—What I suggest is that provisions should be made as to the time of registering the Articles of Association, so that no person other than a promoter could become a shareholder, without having an opportunity of seeing the Articles. My reason for that is twofold; in the first place, a good deal of litigation has arisen in the Court of Chancery, because persons having taken shares, upon the faith of the prospectus, afterwards allege that the Articles of Association vary from the prospectus; and partly, because the Articles of Association not uncommonly provide advantages for the promoters, and for certain permanent officers, such as managers, chairman, and the like, which if the shareholders had seen, they would probably have hesitated to take shares. A lump sum for instance is paid to A. B. for promotion money; C. D. is made manager, with a certain salary for a certain number of years and the like.

1515. Do you think, therefore, that provision should be made, which should enable the shareholder (who of course we assume ought to take care of himself), to know what he was doing with certainty?—It would enable him to take care of himself.

1516. I suppose that many instances have come before you, where the Articles and the prospectus have totally differed?—Certainly there are such cases.

1517. Would the result of what you suggest be, in your opinion, not only to check this irregularity, but to prevent the difficulty which has arisen as to personal liability?—No doubt.

1518. It would tend to check a class of litigation, which is founded upon a man saying that he has not been told the whole truth?—Not only so, but it would prevent exorbitant bargains being made. For instance, a company is formed for carrying on a mine, or a hotel, or whatever it may

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may be; a provisional contract is made, to pay the owner of that property a considerable sum of money, and the result often shows that that is far too high, and that it is the owner and his friends who have been the getters up of the company. Such a provision as this would enable the shareholders before they joined the company to consider the propriety of that contract.

1519. So that in point of fact, if they went astray, it would be with their eyes open, whereas at present there is the means of keeping the truth from them?—I have practically found that that is so to a very considerable extent.

1520. In reference to the qualification of directors, have you anything to suggest?—That is the same thing as the promoters in a different form.

1521. You think, in fact, that the executive body should be under a peculiar guarantee in the interest of those whose affairs they manage?—I think so; and I think that the guarantee should be a considerable one.

1522. Have you formed any notion as to the amount which it should be, in any case?—That is a matter of detail, and my opinion upon that subject would be hardly of any value; but it ought to be substantial enough to ensure a prudent and cautious management by the directors.

1523. In reference to the certificates of complete registration, have you anything to suggest?—That is a portion, in fact, of the same subject. My notion is, that no certificate of registration should be granted until there were a certain number of shares taken, and the deposit paid upon them; and that until such certificate is granted, the company should not be at liberty to carry on business, or to incur any liability, except for the necessary expenses of registration. It frequently happens that contracts have been entered into, when, upon a prudent view of the state of the shares taken, it must have been manifest that the company could not possibly go on, and could not float. It is to prevent that kind of mischief, and also to prevent contracts, beneficial, it may be, to the promoters, directors, or managers, from being entered into until the shareholders themselves have an opportunity of seeing what they are.

1524. In reference to the transfer of shares, I understand that you consider that the present system operates hardly upon the sellers; will you kindly explain how it operates, and the remedy which you propose?—What we have found is this; a man sells his shares, and executes a transfer, and he receives his purchase-money; but he has no means, except by a legal process, of getting his name struck off the register, and the purchaser's name substituted in its place, except by either applying to the Court of Chancery, which is a costly, and, to some extent, a dilatory process, or else by making application, under the Act itself, to have the register cured. Many instances have occurred in which, as we have reason to believe, a man has *bonâ fide* sold his shares, and it is not until months afterwards, when the company comes to be wound up, that he finds that the transfer is not registered, the register of shares being the criterion of the contributories, so that he finds himself fixed with a liability which he thought he had got rid of.

1525. I suppose that that leads to litigation and delay in winding up?—That leads to delay; and when the amounts are large, it leads to a great deal of litigation.

1526. The first step in liquidation is to settle the list of contributories, is it not?—That is one of the first steps.

1527. And therefore this delay of the transfer delays the whole operation of the liquidation?—It does.

1528. Have you any suggestion to make as to a cheap and ready remedy for that evil?—Probably the matter could be better dealt with by some one who knows the course of dealing on the Stock Exchange; but it occurs to me that it would be desirable that in every case of transfer there should be a duplicate deed executed.

1529. Then, in point of fact, you would give the vendor the power of registering if the purchaser did not do so?—Just so.

1530. Each would have a deed, each of which could be registered?—Just so.

1531. Is there any other practical suggestion in reference to the amendment of the Act, that you would like to mention?—It occurs to me to mention that some of the smaller companies, that at present contribute to the overcrowding of the Court of Chancery, might conveniently be dealt with by an inferior tribunal. The Act of 25 & 26 Vict. c. 89, provides for the winding up of benefit societies, and those are necessarily sent to the county court, the county court having exclusive jurisdiction in winding up those companies. It may be worth consideration whether such jurisdiction should not be given to the county courts in small cases of Limited Liability Companies, either exclusively, or whether power should not be given to the Court of Chancery, at its discretion, to send cases to the county court to be wound up there.

1532. I suppose local convenience would also be promoted by that?—In many instances, it would be so.

1533. Instead of its being necessary to do it in London, you could wind up a small company in any county court in the kingdom?—No doubt; and I think practical advantage would arise in small companies where the creditors and contributories were for the most part local persons.

1534. Mr. *Morrison.*] I do not quite understand what power you have of taxing the costs of liquidation in those different forms; taking first the case of liquidation by the court, can you tax the costs of solicitors and the costs of liquidators?—The Court has that power. No costs are ever paid to solicitors for winding up, unless they have been previously taxed by the taxing master appointed for that purpose. No sum is ever paid to a liquidator unless the amount has been previously allowed by the judge himself; or by his chief clerk in small cases.

1535. With regard to the voluntary liquidator under the supervision of the Court, have you the same power of taxing?—In the cases of voluntary liquidation the Court has no power, except it is appealed to by one of the persons interested; but if the question of the payment of the liquidator were brought before the Court, the Court might interfere.

1536. Would that be the case in voluntary liquidation not under the supervision of the Court?—Yes, in every case of voluntary liquidation the Act of 1862, gives power to apply to the Court of Chancery touching any matter concerning the liquidation.

1537. Of course, the Court has not any scale of charges which it allows?—As far as solicitors

are concerned, it has such a scale long ascertained and fixed.

1538. But not with regard to liquidators, of course?—I believe, and indeed I know, that the subject of settling such a scale is now receiving consideration from the judges themselves.

1539. A great deal of dissatisfaction is felt by the public, or by the creditors, at all events, that it is the habit, in winding up companies, in the place of making calls in the first instance, to endeavour to pay the creditors by realising the assets; does it not strike you that that is rather unfair for the creditors?—Undoubtedly. I think the creditors have a right to come at the earliest possible period and insist upon having a call made for the payment of their debts; and I have no doubt that such would be the feeling of the judges themselves. The Honourable Member is no doubt aware that by the Act of 1862 the creditor loses his power of suing, and therefore his right to come and insist upon having a fund for the security of his claim stands very high.

1540. There would be the practical difficulty, that in making a call in the first instance on the shareholders, a certain number of contributories would probably not be able to meet their call, and then a larger amount would be thrown upon the solvent contributories; but of course in that case they would be recouped, would they not, by the larger proportion of the assets realised eventually?—That would be so; and the only mischief which would arise would be, that those persons would lie out of their money for a time, and that they would have to pay the expenses, legal and otherwise, incident to the adjustment of somewhat complicated claims.

1541. With regard to the amount held by directors and promoters of companies, at the present time any person who wishes to join a company can find that out for himself, can he not, by inspecting the articles of association?—He can do so.

1542. Do you think it would be desirable to provide any further security by law than the security which each prudent man can find for himself?—I am disposed to think that, as regards promoters, at all events, it is so. I have said already that the public must be left very much to take care of themselves, but I think no mischief would arise. I am not aware that it has arisen in the case of railway companies from prescribing a certain number of shares to be held by the directors. I believe that in almost every company which has been organised by a copartnership deed some such provision has been adopted.

1543. Have you considered whether you would recommend that the amount which a promoter or director should hold should be a definite sum, or some proportion of the whole capital?—I should say it must be some amount fixed relatively to the total amount of the capital.

1544. Have you any reason to believe that the difficulty which you mentioned with regard to the registration of the transfer of shares has been at all unfairly taken advantage of purposely; it is a very strong temptation to a person purchasing a share in a speculative company to defer to register, because in that case he would obtain the advantage of a very high dividend on the one hand, and may hope to relieve himself of the responsibility, on the other, if the company breaks down?—I have reason to believe that there are many instances in which shares have been purchased, and in which the purchaser has deliberately abstained from registering in, order to lie in wait and see what the result of the company would be.

1545. Mr. *Finlay.*] Do you think that the directors ought to be responsible, and not to be subject to limited liability as the other shareholders are?—I have not suggested that, and I have not considered that that was a matter coming within my province; I only profess to speak of the practical working of the winding-up. I believe it has been suggested that the liability of the Directors should be unlimited, but that was no part of my suggestion.

1546. It has been suggested by several witnesses, that the shareholders ought to have the means of seeing the Articles of Association before they take shares; but there appears to be the practical difficulty, that many of those Articles are so bulky that they could not be sent with the prospectus; is there any suggestion that you can offer to get rid of that difficulty?—The Articles are necessarily printed, and, of course, they might be easily seen at the Office of the Registrar General, and other public places might be appointed for the purpose. Inasmuch as they are printed, the multiplication of copies would lead to little or no expense.

1547. One of the witnesses has stated that a very experienced lawyer might be puzzled to know the meaning of the Articles after having read them; should you agree with him as to that?—It is quite possible.

1548. Then would there not be very great practical difficulty in the way of the shareholders understanding them?—No doubt the Articles might be difficult to understand; but, upon the whole, I think either the shareholders themselves or some person conversant with legal instruments on their behalf might read them through; but most of the persons who would be likely to subscribe would be well informed.

1549. Do you think it would be possible to get a sort of short compendium of principal points which every shareholder should know—such as the amount of the capital, and the remuneration and the powers of directors?—I am afraid that would lead to considerable litigation. It would be said afterwards that men took shares on the faith of the synopsis, and that that synopsis varied from the full document, and the ingenuity of lawyers would probably found some argument upon that.

1550. It would be very difficult to prevent frauds if people are inclined to commit them?—I do not believe it is possible to prevent it.

1551. You stated, in the beginning of your evidence, that you find that frauds are very numerous; to what kind of frauds did you refer?—Principally to the stipulation for great and exorbitant advantages to the persons who originally get up the company, and to other frauds by persons who being the owners of property pass it off to joint stock companies at unreasonably high prices.

1552. Then is there any suggestion which you could offer to prevent those frauds?—The only suggestion which I can offer to prevent that, is the one which I have already mentioned, viz., that before the company is authorised to enter into any contracts whatsoever, a certain number of shares shall be taken up and paid; and that, as I have already suggested, the Articles of Associa-

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tion should be placed in the hands of the persons who are to be bound by them.

1553. But is it not very difficult for shareholders, for instance, residing in the country especially, to know whether the valuation of the property is a *bonâ fide* and correct one?—It is very difficult; the only prudent thing is to abstain from taking shares.

1554. I suppose that the main security would be the character of the directors or managers?—No doubt.

1555. Then if you put any restrictions or obligations upon the directors, will you not have a difficulty in getting the best class of directors to accept the office?—I should not think that the condition of having a stake in the concern would induce persons of substance to refrain from accepting the office. Such persons would hardly join without having a substantial stake in the company. But the Committee must be good enough to remember that the principle of Limited Liability is now being extended to a vast number of very small concerns, with which men of influence and position would have very little to do. I have no doubt that the Committee has the information before it, but there are small companies with capitals as low, I believe, even as 500*l.* to carry on the business of brewers, bakers, farmers, agricultural steam-engine proprietors, and the like.

1556. Have you found more frauds amongst those small companies than amongst the larger ones?—I think that, as a general rule, there has been more fraud in small than in large companies.

1557. Do you think that persons carrying on the business of an unlimited company, sometimes form it into a limited company in order to get rid of their debts and obligations?—No such case occurs to me; but I think that there are cases of partnerships where a company has been formed for the purpose of getting rid of the personal liability of the members of the partnership.

1558. Do you think that it would be possible for a person to get rid of his debts by transferring his business to a Limited Liability Company?—Undoubtedly it is possible.

1559. *Chairman.*] But you do not remember any prominent case where that has apparently been the intention?—The Committee would hardly ask me to mention instances; but I have in my mind cases in which we suspect that that was contemplated, and in which it would probably have been successfully carried out, but that the money panic came too soon.

1560. Mr. *Stephen Cave.*] You know of cases, no doubt, where creditors to a very small amount have presented petitions for the liquidation and winding-up of companies?—Yes.

1561. Are you of opinion that there have been abuses of that particular kind?—I have no doubt that there are proceedings taken in winding-up, as there are in every department of the law, merely in the interest of the legal practitioners, if that is what the Right Honourable Member refers to.

1562. For instance, a creditor for the amount of 50*l.* may present a petition for winding-up a large company, may he not?—That is probably done in the interests of other persons.

1563. Either for costs or to be bought off, or for some other reason?—It may be to be bought off for the purpose of getting 20 shillings in the pound; or some person having a larger interest in the background, but declining to come forward, may put forward a small creditor or a small shareholder.

1564. Have you thought of any remedy to obviate that which is evidently an evil?—It has not occurred to me to suggest any remedy for that. Considering the difficulties which the creditor has under the Act of 1862, I do not think that it would do to take away his right of presenting a petition.

1565. Do you not think that it would be a better plan that the representatives of a certain amount of indebtedness, or the representatives of a certain amount of money borrowed, should be required to combine in presenting such a petition?—What occurs to me is, that if a company is not in a position to pay its creditors, there is no mischief in its being ordered to be wound-up.

1566. But it is possible, is it not, that though the company may be in a perfect state of ability to pay its debts, the petition itself would injure the credit and the solvency of the company?—That might be so, no doubt. The presentation of a petition at certain times would be, no doubt, very prejudicial to a company.

1567. Have we not heard that shareholders, for instance, have bought a single share, and presented, or threatened to present, petitions for the winding-up of companies?—I believe that such cases have occurred. In the case of shareholders, I think that it might be expedient to provide some rule that a company should not be wound up upon a petition presented, unless it was with the concurrence of a certain proportion of the shareholders, but I should see a difficulty in doing that in the case of creditors. It might perhaps be desirable that there should be a provision that no creditor should present a petition without making a previous demand in writing, so as to give the company the opportunity of paying or securing his debt.

1568. But, in the case of shareholders, you think that a certain proportion should be required to concur?—I think that that would be very reasonable.

1569. You have stated that the fees are too moderate, and that the expenses in Chambers were not paid by them; out of what fund is the difference paid?—The expenses of the Court of Chancery are borne out of the General Suitors' Fee Fund, which consists not only of the fees received from day to day, but of an accumulation of fees. There is a fund the interest of which goes to pay the salaries of officers.

1570. Is the whole of the balance which remains over from the deficiency of the ordinary fees from day to day paid out of that?—So I understand. In saying that the fees were too small, I did not mean that they were too small absolutely, but only relatively to those of other suitors; it seems to me that Joint Stock Companies ought at least to be on no better footing than the other suitors of the Court.

1571. You stated that no adjudication has yet been made with regard to fees to the liquidators; is that the case with regard to liquidations which have been already concluded?—With reference to liquidations which have been already concluded I am not prepared to speak; no great liquidation has been concluded within my experience, which only runs over three years, and none certainly of any consequence under the Act of 1862.

1572. Can you suggest anything to avoid the inconvenience, which is very great now, of the crowding of business among a few liquidators; is there any class of people beyond those who are now liquidators, who are capable of doing the business?—

business?—I am not aware of any other persons who are capable of doing it, and willing to undertake it; what is required is a knowledge of commercial affairs; if merchants and bankers, and managers of Joint Stock Companies would themselves undertake it, they would of course be as efficient as, and indeed more so than, mere accountants; but such persons are unwilling to undertake the charge.

1573. The liquidators now are either accountants or solicitors, are they not?—Not solicitors; they are almost uniformly accountants, as far as my experience goes.

1574. Then I suppose they are guided by solicitors; solicitors are always employed in liquidations, are they not?—In every case the Court gives to the official liquidator power to appoint a solicitor, which he does; and the liquidation is managed by the official liquidator and his solicitor.

1575. Would the same answer which you gave with regard to the liquidator's fees apply to the solicitor's fees?—No, because the solicitor's fees are the same fees which have been for ages allowed by the Court of Chancery; they differ in no wise from other fees.

1576. And they are simply taxed in the ordinary way?—They are taxed by the taxing master in the ordinary way.

1577. When you state that the promoters should subscribe for a certain number of shares, do you not rather confound promoters with directors, the promoters not being always the directors?—I think that I have a further distinction clearly in my mind. By the promoters, I mean the persons who sign the memorandum of association, and who first obtain the registration, and who first put it out before the public.

1578. *Chairman.*] The original seven?—The original seven.

1579. Mr. *Stephen Cave.*] In the case of an invention, for instance, the inventor, who is also a promoter, and one of the seven, is very often a man who is quite without means, is he not, though the company itself may afterwards be perfectly *bonâ fide* and good?—I hardly think that it would operate as a restraint in a case of that kind. He must in any event obtain six other persons to concur with him, and I do not think that the difference between six and seven would practically prevent his bringing out his invention.

1580. You mean that the others would find means for him?—The others would find means for him.

1581. You say that there should be no complete registration until a deposit is paid, and a certain number of shares taken; would you leave that to the Registrar General to decide upon?—No, my notion is that that should be fixed by legislation.

1582. According to the amount of the capital, I presume?—Probably a sliding scale would be the best to adopt; but of course it must materially vary according to the magnitude of the concern.

1583. And of course the Registrar General must accept what is laid before him as evidence?—It would be practicable to provide that the officers of the company should make a statutory declaration, upon which he would act.

1584. In the same way as that which the Act of last Session requires to be made with regard to debentures?—Just so: such a statutory declaration as would render the maker liable for perjury if the statements are incorrect.

1585. And you would entirely put it out of the duty of the Registrar General to inquire beyond that as to the facts?—I should doubt whether he would have the machinery for instituting an inquiry as to the facts.

1586. But you would throw upon the parties entirely the onus of making a false declaration, if they did so?—That was my idea.

1587. In the case of a transfer of shares, you know of course that the liability upon shares exists beyond the possession of the shares; have you known any instance in which the double liability has been insisted upon in liquidations?—I know of no instance in which it has been insisted upon; but I know several instances in which a vendor who I have no doubt really believed that he had got rid of his shares, found that he remained liable as a contributory.

1588. But you know of no instance in which, when the transfer has been regularly made, and the transferee has made default in paying the amount of shares called up, application has been made to the transferor, so that both transferor and transferee have been placed on the list, the remedy against the transferee having been exhausted?—So far as the working of the Act goes at present, I believe that there is no instance in which the past shareholders have been made to contribute. It has been generally felt that there would be great difficulty in reaching them.

1589. It is considered, is it not, that their liability lasts for one year after they have ceased to be shareholders?—That is so.

1590. But there is no case in your memory of that liability being enforced?—On the contrary; I believe that no such case exists.

1591. Has it ever been tried?—It has never been tried, but it has been a good deal considered.

1592. What has been the cause of the hesitation in enforcing that liability?—The difficulties are twofold; in the first place, we speak of them as List A. and List B., the List A. of those who were shareholders at the time of the winding-up, and List B. of those who were shareholders at any time within 12 months before. In order to reach List B., you must first show that the assets of the company are exhausted, which is necessarily a process of time, and in the next place, the Act of Parliament limits the liability of the persons on List B. to the debts contracted during the period when they were shareholders, and the result would be that there would be great difficulty in analysing the debts, so as to distribute them among a body of persons which is shifting from day to day.

1593. We have heard in some of the late liquidations of a transfer being made within a few days of the failure of the company; in such a case as that the liability of the transferor would be very easily distinguished, would it not?—No doubt the nearer the time of his possession of the shares was to the day of winding-up, the more easy it would be to ascertain his liability; but so far as I know, I think that I may say that that has not been done; I do not mean to say that persons may not have been fixed upon the list, but no call has ever been, so far as I know, made upon the past shareholders.

1594. Though in many instances present shareholders have failed to pay the whole amount outstanding upon their shares?—In many instances that has been so.

1595. In such a case, could a single creditor enforce

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enforce his remedy against a single shareholder?—I apprehend, certainly not.

1596. Would he be precluded by the company going into liquidation?—He contracted with the company, and the company is his only debtor; of course he might set the machinery of the Court in motion under the winding-up. Any creditor or any contributory can make any application to the Court which he may be advised to make, but he could not bring an independent action at law, I believe, against the shareholders.

1597. Has any creditor found fault with this hesitation to call upon past shareholders for the default of the present shareholders?—I never heard of the complaint being made but once, until it was suggested to me by an Honourable Member just now; but such complaints may very well be largely made without their reaching me, because unless they come before me in the shape of a definite application, I should know nothing of them.

1598. And you have not had a definite application of that nature?—No.

1599. Mr. *Graves.*] Does the Court exercise any check or control over the charges of liquidators?—Certainly; no sum whatever is paid to the official liquidator without the matter having the express sanction of the judge in great cases, or in small cases the sanction of the chief clerk acting for him.

1600. Is there any rule at all by which that discretion is used?—No code of rules had yet been determined upon, but the subject is under consideration by the judges with a view to fix, if practicable, some scale for the remuneration of the liquidators.

1601. Up to the present time, there is no settled principle upon which the decisions have been made?—There is no settled principle. The payments which have been hitherto made in my experience have all been payments on account, reserving the amount of the entire remuneration to be fixed hereafter.

1602. I presume that the accounts are laid before the Court, showing the liabilities and the assets in all cases?—Certainly; the practice in the Rolls Court is for the official liquidator to lay before the Court periodically at times fixed by the judge, according to the nature of the case, an account of his receipts and payments; and he necessarily brings before the judge in chambers a statement of the assets and liabilities, in order to receive directions as to their realisation and payment.

1603. Have any instances come under your notice where the assets were insufficient to pay the expenses of liquidation?—Yes, I know of one case in which the entire assets of the company consisted of the furniture of the Board room. There was a bill of sale upon that, and the proceeds were altogether insufficient to recoup the liquidator some few pounds which he had paid out of his pocket.

1604. What became of the shareholders in that company?—They had all fully paid up, and consequently no call could be made upon them.

1605. How was the company wound up?—It wound itself up; it fell dead.

1606. Is it usual for the Court to compare at all the deeds of association of companies with the prospectuses which are issued to the public?—It becomes no part of my duty to do that, unless it be that some point is raised by a person whom I propose to fix upon the list as to a variation between the one and the other; but no general comparison of that kind falls within my duties.

1607. Have you formed any opinion as to whether many flagrant cases of differences existing has been brought before the Court?—No doubt it is a matter of common knowledge among persons in the legal profession that numerous cases of that kind have occurred.

1608. You made a suggestion with regard to extending the jurisdiction of the Court in cases of liquidation to the county courts, and I think that you made some discrimination as regards the amount; have you in your own mind at all fixed any amount as a limit below which you would allow those cases to go to the county courts?—I think that it would be a very reasonable limit to fix, that where the subscribed capital did not exceed 5,000 *l.* the case should go to the county court; but I would suggest that it should be left to the discretion of the Chancery judge to retain it himself, or to send it to the county court judge. That should depend not only upon the amount, but upon the circumstances of the company. There are many small companies which are set on foot for an entirely local object, where all the shareholders and creditors, or the greater part of them, would be local persons.

1609. I suppose that you would be guided by the locality, in fact, to some extent?—I think that the power of the judge should be to send it not necessarily to the county court of the district, but to some neighbouring county court of his own selection.

1610. Mr. Alderman *Salomons.*] With regard to litigation in your Court, do you know whether a good deal of litigation has arisen from the insufficiency of the subscription of some of those companies?—I think that a great deal of mischief has arisen by companies being allowed to trade before there had been a sufficient subscription to justify them in beginning to do so.

1611. Has that given rise to much litigation?—It has given rise to entering into a number of contracts, and then, when the company fails, the winding-up becomes a serious and embarrassed concern; whereas if it had failed without those contracts being entered into, it would have been a matter of the very simplest kind.

1612. Do you mean to say that if the capital had been subscribed, it would have been less onerous to those shareholders who held shares?—If the capital had been subscribed, the company would perhaps have succeeded, and if the capital not being subscribed they had at once receded and had not entered into any contract, then the liquidation would have been a matter of the very simplest nature.

1613. How soon after the composition of the company is the return made, that they have their capital subscribed, or is no such return made at all?—There are certain returns made to the Registrar General, but I am not prepared to say, without reference to the Act of Parliament, when those returns are made; they do not fall under my observation. The Act of Parliament requires that a return of the number of shareholders, and the number of shares they hold shall be made periodically; my impression is that it is once a year, but I am not prepared to speak positively as to that.

1614. Then no shareholder or other person has any opportunity of knowing, according to the law as now administered, whether in a company

company of, say, announced as having a capital of 100,000 *l.*, that amount of capital is subscribed or not?—Yes; I think he has, because I think that every company is bound to keep a registry of shares in its own office, and upon payment of a certain fee, any member of the public, and without any fee, any member of the company is at liberty to inspect that register of shareholders.

1615. But there is no record kept in any public office, is there?—The only record is that at the Registrar General's Office, and that is only made up periodically, and no record is kept from day to day.

1616. *Chairman.*] Is the return made annually?—I think it is made annually, but I really do not know, and I cannot speak positively upon that point.

1617. Mr. *Lowe.*] Is not some mischief produced with regard to the power of a shareholder to annoy a Company by the petition for winding up, being a long while on record before it is called on to be heard?—It may happen so during the vacation of the Court, but the time that must elapse between the presentation of a petition and its hearing, is only a few days ordinarily if the court is sitting.

1618. We were told by one of the witnesses that some of the rules passed by the Court of Chancery required a petition for winding up to be filed, a considerable time before it was heard, but you say that is not so?—I do not say it is not so, because the petition is presented, and is heard the next day, that the Court sits after the presentation, and that might be in the long vacation some weeks in advance, but, during the ordinary sittings of the Court, the interval could not be above seven or ten days.

1619. But even seven or ten days is a very serious thing, is it not?—Very serious.

1620. Could you suggest any means by which that could be remedied?—The Right Honourable Gentleman on the right hand of the Chairman suggested that, and in answer to him I stated that I think it may be reasonable that no creditor should be at liberty to present a petition unless he had previously demanded to have his debt paid in writing, and that then his petition should not be received unless it were accompanied by an affidavit to the effect that he had made the demand, and had been refused.

1621. But the case you want to provide for is where a man made an unreasonable claim rather than a reasonable one, I suppose?—There is a similar provision in the Bankruptcy Act. In that case the matter is heard in private before the Commissioner, who can direct the parties either to pay the debt, or to give security for its payment if an action is brought.

1622. Would you recommend such a course as that?—I think that might be a very reasonable proposition.

1623. You spoke of exorbitant terms obtained by patentees and inventors, and such persons in getting up companies, did you not?—I have not spoken of patentees and inventors so much as of the promoters of companies, and the owners of property.

1624. Do you think that things which are put in the Articles of Association are inventions?—Yes, I do.

1625. But how can you prevent that?—The only suggestion I make to prevent that is, that the Articles should be printed and registered, and that they should be accessible to the shareholders before they take shares.

1626. Are they not accessible now to the shareholders before they take shares?—Not necessarily so; shares are frequently taken before the Articles of Association are registered.

1627. Before they exist perhaps?—Before they exist.

1628. That is the shareholders own folly, is it not?—It is their folly no doubt.

1629. With regard to the choice of liquidators by the Court, have you any suggestion to make?—I do not think that any class of persons, other than those from whom they are taken, are so eligible and at the same time available; I do not think any other persons than accountants could do the work unless they were such persons as merchants and managers of companies, and those are not available.

1630. Who is it that practically recommends the liquidator to the Court?—The persons having the carriage of the order to wind up.

1631. That is the attorney, generally, is it not?—That is, generally, the attorney either of the company or of the shareholders, or of certain shareholders, or of a single shareholder; but other parties are at liberty to come and bring a counter proposition.

1632. The attorney names the liquidator, and I suppose the liquidator names the attorney?—That is so.

1633. It is a kind of vicious circle that they work in, in fact?—That is so.

1634. Can you suggest any remedy for that state of things; how would it do for the creditors to have the choice of the liquidator?—The difficulty about that is, that the creditors are unascertained. In large companies the creditors are very numerous. I have known cases in which the creditors have counted by hundreds, and the liquidation must go on while their claims are being under investigation.

1635. It is the creditor whom you think should be represented more than the shareholders in winding up?—I think that in some cases the shareholders ought to be considered; where, for instance, they pay more than 20 *s.* in the pound.

1636. Those companies are generally wound up under voluntary liquidation, are they not?—Not necessarily so. I have several cases in my knowledge where 20 *s.* in the pound will be paid, where the companies are winding up compulsorily.

1637. What is the inducement to go to compulsory liquidation, when they will pay 20 *s.* in the pound?—It may be the pressure of creditors, or the want of confidence of some shareholder in voluntary winding up.

1638. As a general rule, it would seem to be a disadvantageous plan, would it not?—We know so little about the working of voluntary winding up at present, that I can hardly say whether it is so or not.

1639. You have not had experience in voluntary winding up under the court?—We know nothing of voluntary winding up, except where the parties make application to the judge.

1640. Are not those applications frequently made?—In voluntary winding up they are very rarely made at present.

1641. Do you think that the liquidators who are appointed by the court obtain exorbitant profits?—I think that the claims which have been made are some of them very exorbitant; but, as far as my experience goes, no exorbitant sum has been paid.

1642. It has been claimed, but not paid?—Certainly.

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1643. What has prevented its being paid?—Simply because the judge has refused to allow it.

1644. Then you do not think that, practically, any great wrong is done?—Certainly not within my experience.

1645. You do not know much about voluntary winding up, do you?—I do not know much about voluntary winding up.

1646. That would be the fault, I suppose, of the companies themselves?—It would be the fault of the companies themselves.

1647. You say that the best plan to correct any difficulty that may arise as to transfer, would be to have a duplicate deed executed?—That is what has occurred to me.

1648. But how would it be if a contract for the sale of shares took place, as it generally does, without any deed at all?—It is followed in a few days, I believe, by a transfer.

1649. Shares are verbally sold on the Stock Exchange, are they not?—I do not know how they are sold on the Stock Exchange. The man instructs his broker, and the broker finds a purchaser, and then, a few days later, a transfer is presented and signed by the vendor, who receives his money.

1650. You would suggest that there should be a duplicate deed of transfer?—That is my suggestion.

1651. Supposing that the vendor is to give notice to the company that he had sold his shares, would that be sufficient?—Unless the company had a deed executed by the purchaser, they could not fix him on the register.

1652. Supposing that a deed was afterwards executed, might it not have relation back to the time when the notice was given?—That might very well be, but in the meantime the company may be wound up.

1653. You say that the directors, you think, should have some sort of compulsory interest, as it may be called, in the company?—I suggested that.

1654. And that is the case in railways, you say?—Yes.

1655. Is it your opinion that railways have been well managed by their directors?—I am hardly qualified to give an opinion upon that subject.

1656. Then why has that been cited as a precedent that it should be so?—It was not myself, but the Chairman who mentioned railways.

1657. Do you not think that it would narrow the choice of directors a great deal?—No doubt it would, but I think it would narrow them beneficially.

1658. Do you think you cannot trust people to choose for themselves the people whom they would have to represent themselves?—No doubt the public must be left to take care of itself, but I think that some rules may be made which would be consistent with that principle.

1659. Cannot you imagine a case where a man with a small holding in a company would be more interested in its success than another whose whole fortune would be involved?—I can conceive such a case.

1660. With regard to the Articles of Association, your suggestion was that they should be printed?—Yes, they must be printed under the existing law.

1661. Then what would you have more than the existing law?—I would have them printed and registered before the allotment of shares.

1662. And how about the transactions that took place before they were printed and registered?—There should be no such transactions according to the view which I suggest, that the company should incur no liability except such as is necessarily incident to the registration of the company.

1663. Who pays that?—That might be paid by the shareholders when they came in. As it is at present, it must be paid by the promoters.

1664. But you begin by forming a corporation, and then you would suspend its action, because as soon as the Memorandum of Association has been signed, and the money paid, it is incorporated?—It is not quite so. There are two stages of incorporation; there is the provisional registration, and the complete registration.

1665. Is that so?—That is so.

1666. Are you quite sure; can you refer me to the Act of Parliament?—My impression is that that is so. There are certainly two stages; there is the registration of the Articles of Association, and the registration of the Memorandum of Association.

1667. The first thing is the Memorandum of Association, is it not?—Yes.

1668. And that must be signed by seven persons?—Yes.

1669. Upon that being signed, setting forth certain things which are required in the Statute, and upon the payment of a certain small fee, the company is incorporated, is it not?—The registration of the memorandum, and the registration of the articles are not necessarily, or usually, contemporaneous.

1670. Then after the company is incorporated, it settles its Articles of Association?—Yes.

1671. They are not contemporaneous?—No.

1672. For how long would you suspend the incorporation of a company?—I would suspend its incorporation until after the Articles of Association have been settled.

1673. That was the old scheme until this present Act was superseded, was it not?—That was so.

1674. Did it not produce a great deal of difficulty and trouble?—I am not aware that it did.

1675. Are you aware that the rights of persons under those provisional regulations were very ill-defined, and that it was very difficult to fix anybody?—By limiting the power to enter into contracts until the articles were registered, I think that difficulty would be obviated.

1676. Do you not think it would give a good many means for fraud in that way, and that people might on behalf of the company actually incorporated enter into contracts which the Corporation would not be bound by?—I do not foresee any difficulty of that kind.

1677. You have stated, I think, that you would desire that the promoters, those who sign the Memorandum of Association, should have more stake in the company than they are obliged to have now?—Yes.

1678. With what object?—With the object of preventing the starting of companies by persons without substance.

1679. Do you think you can prevent that?—I think not, but I think you may make it a little more difficult, and a little more unsafe.

1680. Would making it a little more difficult and a little more unsafe, have any other effect than that of increasing the charges which people would make for undertaking such business?—That is an objection, no doubt.

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1681. Mr. *Stephen Cave.*] Is it a fact that the Articles of Association are generally signed by the shareholders?—In practice it is not so. The shareholder applies and receives his letter of allotment, and then the officers of the company return his name to the Registrar General.

1682. But it frequently is the case, is it not, that shareholders do sign the articles?—They do frequently, but it is not necessary.

1683. Is there any instance that you know of those articles being altered after the signatures of some of the shareholders have been appended?—There is a means provided by the Act by which the articles may be from time to time varied; if the Right Honourable Member means that after a shareholder has signed the articles, and they have come to be registered, they have been varied, such instances have, I believe, occurred.

1684. I do not mean a fraudulent alteration; but would an alteration vitiate the articles?—I believe that would be so as regards that particular shareholder.

1685. Whether the change is material or not?—Whether the change is material or not. I think that in point of law the shareholder would cease to be bound if the articles had been altered after he had signed them.

1686. Do you know of such instances?—I know of such instances having occurred, but I have known of no such decisions having been given.

1687. Mr. *Finlay.*] What notice must a creditor give to a company of any debt before presenting a petition?—None whatever, as far as I know at present.

1688. May he present a petition without giving any notice to the company?—Yes.

1689. What means have the public of ascertaining the amount of capital which is paid up?—The only means they have is by searching the register of the company itself and by searching the books of the registrar of joint stock companies.

SWINTON BOULT, Esq., called in; and Examined.

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1690. *Chairman.*] YOU are very largely connected with finance and insurance, I think, in Liverpool and in London, are you not?—I am.

1691. Has your attention been directed to the operation of the Limited Liability Act of 1862?—It has.

1692. I think especially in Liverpool there have been some sad cases of failure, have there not?—There have been some one or two cases.

1693. Are you able to state to the Committee any practical improvements with regard to the Act of 1862 which your experience would lead you to suggest?—I think that the facility which is given for the formation of companies is a very great defect in the Act, and that there ought to be some preliminary inquiry made upon authority, as to the feasibility of the scheme proposed—the propriety of its being undertaken by a Joint Stock Company at all—the capability of the parties to carry it out, and the sufficiency of the means by which they propose to accomplish it.

1694. You speak of a preliminary inquiry, have you any mode to suggest by which such a preliminary inquiry could be conducted?—I think that such an inquiry should be made by the Board of Trade.

1695. Then would you suggest that the Board of Trade should revise the Articles of Association and investigate the *bona fides* of those concerns before they are actually incorporated?—I do.

1696. Would not that be throwing upon the Board of Trade a responsibility which, with so many hundred companies, would be more than they could discharge?—I think that the effect would be probably that you would not have so many hundreds of companies to inquire into.

1697. Then, does it strike you that the law, by giving encouragement to the formation of so many companies, has encouraged irregularity?—That is my opinion, strongly.

1698. Do you concur in the opinion which has been stated here by witnesses, that a very large amount of fraud and improper practice of all kinds has been the result of the formation of those companies?—I think that there is no doubt of that.

1699. And do you think that that might be prevented by an alteration of the law?—I think that it might.

1700. Two or three practical suggestions have been made with regard to the companies as they stand, and one of them, upon which the Committee would be glad to have your opinion, is with reference to companies which have a larger amount of capital than the experience of their business shows to be necessary. The suggestion has been made that they should be permitted, by a simple resolution, to reduce the amount of their capital, and to reduce also the nominal amount of their shares; what would be your view as to that?—I think that whenever a company is formed every facility ought to be given to it to adapt itself to any change in the circumstances, as regards the objects which it is carrying out. If it finds its capital too large, it should have facility for reducing it; and if it finds it too small, it should have facilities for increasing it.

1701. Do you think that it would be a salutary provision, and one which would be within the spirit of the Act of Parliament, to permit companies to reduce their capital in that way without the process of winding up?—I do.

1702. At present, as you are aware, companies limited by shares must go through the whole process of winding up to reduce their capital if it is larger than is required?—A company cannot do that without injuring itself permanently.

1703. In point of fact that means dissolution instead of reduction, does it not?—Exactly.

1704. In reference to the liability of promoters and directors, do you consider, with other witnesses who have suggested it, that it would be desirable that the promoters and the directors should hold a substantial stake in the company?—I think that the stake which a director holds should be regulated by the proprietors themselves; but we know very well that public companies consisting of many hundreds of partners, when they meet in a public meeting do not meet in the mass. A very few individuals meet and exercise all the powers of the mass; and I think that some means should be taken to protect those who are absent, and who do not know what may be brought forward, and who are not in the habit of attending meetings of these companies, and probably reside at a distance.

1705. What means would you suggest which could be adopted?—I am aware that it is a very

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difficult thing, but I think that some means should be taken to inform the absent proprietors of motions which are brought forward before they are actually decided upon, which materially affect the constitution and power of the governing body.

1706. You think that a more efficient system of notice, which is practically greater publicity, should be adopted?—Exactly.

1707. It was suggested by a witness on a former occasion that it would be desirable to give the directors and promoters a substantial interest in the companies, even in the direction of practically making their liability to some extent unlimited, whereas the liability of the proprietors generally, of course, would be limited to the amount of their shares; would you see any objection to that?—I see no objection whatever to making the liability of the directors unlimited; on the contrary, I think that it would exercise a very beneficial effect. With regard to promoters, they are, I believe, under the present law, the directors until the directors have been appointed by themselves, and they exercise all the functions of directors until they have appointed their successors. There is no power to control them in any way, and to see that they are competent to carry out the works which they undertake to do, until they have abdicated their functions by appointing their successors; and I think that that is a very great defect in the Act.

1708. How would you remedy that defect?—I think, by preventing any contract being entered into until the directors were appointed.

1709. In point of fact you agree with the suggestion of the last witness?—To a great extent, I do.

1710. Have any cases come before you in reference to winding up, which have suggested to you any alterations and improvements in that part of the law which affects the winding up of the companies?—I do not know that they have. Those are technical points with which I do not concern myself much.

1711. Your great point is, that there ought to be a preliminary investigation to prove the *bona fides* of those combinations, before large numbers of persons are induced to join them?—My impression is, that a great many objects for which companies are formed now, are not at all fit objects for companies to undertake, and would not be undertaken with a *bonâ fide* intention, and that those are the very companies which lead unsuspecting people, and people of small means, and ignorant people, into trouble, and that so long as the law exists in its present state, some means should be found to give those people a protection which they are utterly unable to find for themselves.

1712. I presume that you have in your mind the protection which is given under the Friendly Society's Act to the formation of friendly societies?—Yes; and also with regard to companies of which Mr. Church spoke, with capitals of 5,000 *l.*, and things of that kind, if the object be really *bonâ fide*, and a good one, there would be no difficulty in finding individuals to go into it.

1713. The protection given under the Friendly Societies' Act is through registration, is it not?—Exactly.

1714. You think that there should be a body for revision or for preliminary investigation, and you suggest that the Board of Trade should be that department?—Yes. I do not think that there is any difficulty in it. In fact, I think that to the Act of 1862 there is a scheme of Articles of Association appended, and I think that it would not be at all difficult to frame a series of those Articles which should be applicable to particular classes of cases.

1715. Then would you expect the Board of Trade to take the prospectus and the Articles of Association, and the Memorandum of Association, and ascertain that they are consistent, and that they are *bonâ fide*?—Certainly.

1716. Is there any other suggestion which you wish to add at this stage of your examination?—I think, with the last witness, that where the object is to take over an existing business or property, or other interest some means should be found to verify the correctness of the terms upon which such a transaction is proposed to be entered into, and that the expense of any such inquiry should be paid for by those who make application for the company.

1717. That is to say, that the promoters should pay the expenses of that preliminary inquiry?—The promoters, I think, should pay that expense.

1718. The assumption being, that if they did, they would not bring forward so readily anything which was immature or irregular?—Exactly; and that they will, to some extent, at all events, be men of substance, and, as such, will be entitled to make such proposals. Then, I think that the accounts of a company ought to be returned to the Board of Trade, and that they should not be published, but that a simple certificate that they are, or are not, satisfactory, should be issued by the Board of Trade upon their examination.

1719. A certificate to what effect?—Simply that the accounts are or are not satisfactory; you get a mass of figures which very few people would give themselves the trouble to look at and which still fewer understand under the present system.

1720. And that would be really an efficient system of registration of accounts in fact, would it not?—It would.

1721. And of audit also?—Of audit also; of course the Board of Trade would have power to investigate anything which was not satisfactory, as they have now under the present Act. Then, I think, that the liability for unpaid calls should attach to shareholders for three years after the registration of the transfer of shares in Limited Liability Companies, as is now the case with regard to Unlimited Companies. The proprietors in all Unlimited Companies, as far as my knowledge goes, are liable for calls for three years after registration of the transfer for the contracts which they enter into during membership, and I see no reason why the same rule should not apply to Limited Companies.

1722. The Act of 1862, making the limit one year, you would extend it to three years, making it the same as in the other class of companies for the protection of creditors?—I would extend it to three years.

1723. Is there any other practical suggestion which you would make?—I am not aware that there is.

1724. Mr. *Finlay.*] Do you not think that the facility of forming these companies depends a great deal upon the facility of getting the shares taken up by the public?—But then that involves a machinery for giving shares a fictitious value, and raising them to a premium, and then the public

public take the shares without considering whether they are sound or not.

1725. But was it not during a time of great commercial excitement, when people were making large profits, that those shares were generally taken and the companies formed?—I think that if you were to get the secret history of those companies, you would find that of the sums paid to the promoters considerable portions were distributed through the Stock Exchange for the purpose of inducing traffic in the shares before they were issued, and by running them up to a fictitious premium, inducing the public to come in and take the shares, believing them to be at a premium, and that shortly after they were issued, the shares fell.

1726. Do you think that at the present time, when there is so much discredit and so much difficulty in raising capital, the same facility for creating those companies exists?—The same facility exists in point of fact, no doubt, but in point of practice it is utterly inoperative. I do not suppose that you could get up even a good sound undertaking of any consequence now; I do not suppose that the public would look at it.

1727. Does it not appear from that that the state of credit has been more the cause of over speculation in those shares than the state of the law?—I think that the law giving the facility has enabled those who have devoted themselves to it to get up the excitement which enabled so many companies to get afloat, and which occasions so many to be wound up.

1728. Do you think that so many companies would have been formed if the liability had not been limited?—I do not.

1729. Mr. *Stephen Cave.*] I do not quite understand how far you would wish the Board of Trade to testify to the goodness of a company?—I think that the Board of Trade would be able to certify whether the object which a company proposes to carry out is a fit object for a Joint Stock Company to be formed for, and whether from its magnitude or from the nature of the business, or from the objects intended to be carried out, its objects were such as a Joint Stock Company could efficiently accomplish.

1730. Then that would go a very small way, would it not, towards the security of the shareholders?—I do not know that it would; I think that the knowledge that a proposal had to go through such an ordeal would exercise a very sound influence upon the class of promoters.

1731. But what object is there which a Joint Stock Company is not capable of carrying out among those which are generally carried out by Joint Stock Companies?—It is a very difficult thing to say after the description which we have heard from the last witness, of the purposes to which they are applied; but I think that the old authorities limited it very much to three or four kinds of business. I believe Adam Smith limits his category of fit objects to four points.

1732. What are those?—Banking, insurance, supply of water, and internal traffic.

1733. And would you wish the Board of Trade to prohibit the formation of any Joint Stock Companies for any other purposes than those which you have mentioned?—Unless there is something analogous, or something involving great risk, or some expense, or something unusual. I think that all other objects might be accomplished by private individuals, and that, where private individuals can accomplish the object properly, it is unnecessary, and therefore injurious, to call into existence a Joint Stock Company.

1734. Then would you wish the Board of Trade to prohibit all Joint Stock Companies, except for the purposes which you mention, unless they were such purposes as involved great risk?—Practically, it would come to that.

1735. Do you think that that would be a protection to the shareholders?—Yes; of course they would not have the opportunity of going into thousands of things which are open to them now.

1736. But would the Board of Trade prohibiting companies, except those that involved great risk, be a protection to the shareholders?—It would be a protection to the public before they became shareholders, because they would not have the opportunity of becoming shareholders.

1737. Would you not consider that mining, for instance, was an object for which a Joint Stock Company might well be formed?—No doubt.

1738. Would you wish the Board of Trade to inquire into the chances of the success of a mine before it allowed the company to be brought out?—No; I do not want them to go into that at all.

1739. Then I do not exactly see in what way the Board of Trade would protect the public according to your proposals?—I think that a mining company will come under the definition which I gave of businesses of extraordinary risk; a mine may be either a good thing or a bad thing, but I should not ask the Board of Trade to consider whether or not it is proper to form a company for the purpose of working a particular mine.

1740. Then I do not exactly see how the Board of Trade would protect the public?—By preventing those schemes which have, until lately, been brought forward to a large extent, from being brought forward at all.

1741. Is it not the fact that more fortunes have been lost by mining than by anything else?—And probably there have been more made in that way than in any other.

1742. But confining it to loss, has not more money been lost in mines than in almost anything else?—Possibly that may be so, but that is because the mine itself has been bad.

1743. But does it not occur to you, that if the Board of Trade is to sanction mining as one of the purposes to which Joint Stock Companies ought to be allowed, that would not have the effect which you intend of protecting the public?—I do not mean to propose to throw upon the Board of Trade the responsibility of determining whether a particular undertaking of a particular class is likely to be profitable or not, but simply whether the undertaking itself belongs to a class to which the principles of Joint Stock Association ought to be applied.

1744. But then, if the Board of Trade sanctions that class of enterprise, which is one of great risk, as you propose, how does that protect the public, who are supposed to be ignorant of those things?—It will not protect them as regards the result of the working of that undertaking, but only to the extent and in the way in which Parliament protects the public from subscribing to a railway.

1745. How does Parliament protect the public from subscribing to a railway?—If the railway be not one which Parliament thinks ought to be made, it does not sanction the Bill.

1746. But that has no reference to the profits of

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of the railway, has it?—Not at all, nor should I propose that the judgment of the Board of Trade should have any reference to the profits of the proposed undertaking.

1747. Then I do not see how that would protect the public?—Only by preventing an improper object being made the subject of a Joint Stock Association.

1748. But is it not a fact that most of the money which has been lost has been lost by companies, the objects of which were right and proper?—I cannot speak of the aggregate, because I do not know whether that is so or not.

1749. Have not the large losses which have taken place lately been in banks, for instance, and discount houses?—No doubt, in many cases they have.

1750. Those are the losses to which all the public have been attending for the last year, are they not?—Yes.

1751. Would you consider that those are not proper objects for Joint Stock Companies?—I think that they are proper objects for Joint Stock Companies.

1752. Then if the Board of Trade invited the public to subscribe to such objects as those, they would not be protecting the public, would they?—No, but I think that probably when the Board of Trade came to look into the Articles of Association, they might properly inquire into the general points which are included in the Articles of Association, and so they would protect the public.

1753. What sort of points would those be?—The premiums given for goodwill, and premiums paid to promoters, and a variety of things of that kind, which have been alluded to by the previous witnesses, and which, coming under observation in that way, would, I think, have saved the public a good deal of money.

1754. But do you suppose that those are generally the reasons of the downfall of companies?—To a greater extent, I think, than many people imagine.

1755. Is it not the case that improvident advances have been the cause of the downfall of most of the companies which have failed in the last year?—Yes, improvident advances made before the companies were formed in some cases.

1756. Do you think that the Board of Trade is capable of enquiring into the different advances which have been made by the companies previous to their formation as Limited Liability Companies?—They can go generally into them, but probably not into particulars; it would be only in cases where the sums are large relatively to the capital that they would think it necessary to make the inquiry, probably.

1757. Do you think it would be possible for them to make any inquiry which could lead to the truth as to the solvency of the debtors of a large company?—I think that it would be quite possible for them not to form an opinion as to the solvency of the debtors of a company, but to form an opinion in particular cases as to whether or not it was right that the public without knowledge should be invited to subscribe to undertakings which include such large liabilities without their being informed of it.

1758. Then do you mean that the Board of Trade should refuse its sanction to companies which were formed for taking up a bank with large liabilities?—I think that the Board of Trade should refuse its sanction in cases where there are discrepancies between Articles of Association and prospectuses which are put forth to the public.

1759. But we are talking now of the actual objects of the company itself, and not of any discrepancy between one of the articles and the prospectus, which is a different question. You stated that you thought the Board of Trade could protect the public by refusing its sanction to Limited Liability Companies which were brought forward for carrying out certain objects. I wished you to define what those objects were, and you mentioned three or four as being the only ones to which the Board of Trade ought to give its sanction. Then I wanted you to bring your mind to this point, whether the Board of Trade could go so far into the merits of each scheme as to give the public any efficient protection?—I think that they might go into the merits of the scheme to this extent: to see that the prospectus correctly represented those merits, and that the propectus did not conceal that which the Articles of Association or the contracts between the parties included, and which it was material that the public should know, in order to influence them in coming to a decision as to whether or not they should take shares.

1760. Then you do not wish them to go into the merits of the scheme, but simply to see whether the prospectus and the Articles of Association correspond?—That, to a great extent, would answer the purpose.

1761. That is done by the Registrar General, or might be done by him, might it not?—It might be, if he were made anything but a recording officer, which I apprehend he is now.

1762. But is it much more than being a recording officer if he simply sees whether the prospectus and the Articles of Association agree?—Yes, I think that it is more than that.

1763. You think it is little more than that?—It is considerably more, materially more, I think.

1764. Then you confine yourself to that, that the Board of Trade as you propose should simply confine itself to discrepancies between the prospectus and the Articles of Association?—Upon that point I say further that I think that the Board of Trade ought to satisfy itself that those who propose to carry out a company of this kind are competent to do so.

1765. How would it be possible that they should do that; could they inquire into the private fortune of all the promoters?—I do not know that they could do that, but I think there would not be much difficulty in getting information generally when once the machinery is established.

1766. Do you not think that there would be great danger of the Board of Trade misleading the public by want of perfect accuracy in such cases as those?—I think that the fact of a certificate of registration being given now is rather a misleading fact.

1767. The certificate of registration simply shows that the articles are registered, does it not?—That is so to those who understand it; but the general public, I think, do not understand that it is a mere formal act; I think that they fancy there is something more than that in the issue of a certificate of registration.

1768. Do you think that it is desirable that a Government department should give its *imprimatur* to the advantage or disadvantage, or the safety or danger, of the public investing in certain companies?—I think that they should either d

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one thing or the other; I do not consider that the mere certificate of registration is of any advantage at all as at present regulated, or that there is anything gained by it; I want to see it done away with, or some benefit introduced into it.

1769. Would you prefer doing away with the registration altogether?—Yes, unless it can be made more efficient.

1770. Is it not the fact that the Stock Exchange make certain inquiries into the position of companies before it gives a day of settlement?—It has done so in some cases, but there should be a preliminary inquiry to that, I think.

1771. Do you not think that the Stock Exchange is a very much better tribunal to decide these questions than a Government department?—I do not.

1772. *Chairman.*] I think perhaps that you have in your mind the sort of inquiry which used to take place at the Board of Trade in the issuing of charters?—Yes.

1773. Mr. *Graves.*] You have stated, have you not, that in Unlimited Companies there is a liability attaching to shareholders for three years after they have disposed of their shares?—Yes.

1774. Can you state under what Act that is?—I think that it is in any special Act which a company has obtained for itself; in the Act of a joint stock company which is empowered by Act of Parliament that clause is inserted. It is so in the Act of the company with which I am myself connected, viz., the Liverpool, and London, and Globe Insurance Company.

1775. Mr. Alderman *Salomons.*] Is that in their Act now?—Yes.

1776. Is that the original Act?—Yes.

1777. Mr. *Graves.*] Are you speaking rather from information derived from your own experience in your own company, than from any knowledge that this arises under any general Act of Parliament?—I do not know that it arises under any general Act of Parliament; but it is a clause which is inserted, I think, in the Acts of all the Unlimited Companies which have obtained Acts of Parliament.

1778. Have you known any instances where that liability is not enforced?—I do not know that I have; I cannot recall any instance.

1779. It has been suggested by witnesses before this Committee, that there should be either a very large portion of the capital of a Limited Liability Company paid up, or that, as some have suggested, it should be paid up in full; I presume that in the event of its being paid up in full, your objection with regard to the liability would cease altogether?—Of course no liability remains if it is paid up in full.

1780. Taking the case which has been also suggested, that it would be desirable to leave a certain portion unpaid (say one-fourth of the capital), would you consider that the liability of the shareholders should continue the same as in the case where there was only one-fourth paid up?—I think that the liability for the balance should endure just the same whether it is one-fourth or three-fourths. If it is all paid up, of course there is no further liability.

1781. Would it not be in your mind a question of degree, as to whether a very large portion of the capital is paid up, or only a very small portion paid up?—I should make the liability the same in all cases; but I think that the sound principle is to have all the capital paid up.

1782. Your experience is very much derived as you have stated, from unlimited companies. Are you at all conversant with the requirements of the Limited Liability Act, as regards the publicity which has to be given every year to the shareholders in the companies?—I am aware that in the month of February every year, an account has to be handed in to the Registrar General, and it is filed, and the accounts are published; but I think the information given to the public by that registration of the accounts is very inadequate.

1783. No doubt you are aware that there is also a requirement that each company shall exhibit in its own office or place of business, a statement of accounts, and that for seven days previous to the annual meeting of the company, a copy of the accounts should be put in the hands of the shareholders?—That is so.

1784. Will you allow me to ask you whether in the mode of dealing with shareholders in unlimited companies, there is any greater protection shown or given to the shareholders than there is under the limited liability system; or could you suggest any improvement?—The improvement which I suggested before, was that the account should be rendered to the Board of Trade or to some other authority, and that a simple certificate that the account was satisfactory should be issued.

1785. Can you draw any comparison, as to whether the system which is at work under the unlimited companies gives to the shareholders greater publicity and information, and greater protection, than the system which is at work under the Limited Liability Acts?—I am afraid there is no system common to the unlimited companies. There are some unlimited companies that render no account at all, and never hold a public meeting at all, excepting for the purpose of declaring a dividend, and never exhibit their accounts. There are others which are bound to exhibit their accounts, and to have them prepared for seven days before the annual meeting; and there are others again, I believe, which circulate their accounts through the proprietors before a general meeting; but there is no system, I think, common to them all.

1786. Mr. Alderman *Salomons.*] You mean to say, in fact, that there is no law in the matter?—There is no law.

1787. Nor is the practice uniform with regard to keeping the accounts?—Precisely.

1788. You have had great experience in these matters; have you thought at all of the advantage or disadvantage that would result to the public and to the shareholders by enlarging the liability from one year to three years?—My opinion is based upon this: that if it be desirable in the case of unlimited companies, there is no reason why the same rule should not apply to limited companies.

1789. In the case of which you spoke with regard to the Globe Company, that was a company constituted under some old Act of Parliament, was it not?—I am speaking of the Liverpool and London Company and the year 1836.

1790. You stated, did you not, with regard to the Stock Exchange, that promotion money was used to buy shares upon the Stock Exchange before the shares were distributed, and that thereby a fictitious premium was put upon them to induce persons to subscribe?—I have been told

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told so by those who said that they had so applied the money.

1791. Do you think that it should form a part of our legislation to prohibit such trading?—What I meant was, that that observation went to explain how the public were induced to go into those transactions without having sufficient information about them; that they were led by the premium to which the shares were thus driven up to apply for them without making any inquiry as to the probability of the success of the undertaking itself.

1792. Then, as we are now considering the question of limited liability, and what changes may be made, would you suggest that there should be a prohibition enacted upon dealings of that kind?—I do not know that any prohibition that you could make would prevent them; but my object was to have a preliminary inquiry as to the *bona fides* of the undertaking and to throw some little difficulty in the way of those companies being brought out in the way they are.

1793. With regard to another branch of the subject which has not been touched upon here at all; as you belong to some old companies, and as you have thought a good deal about it, have you ever thought of the mischief which is done by the present system of voting by proxy in all our modern companies?—I have thought of it, and I do think it a very objectionable plan. It was with reference to that that my reply to the Chairman upon the limitation of powers at the general meeting, unless attended in person by a certain proportion of the proprietors, was directed. I do not think that voting by proxy is at all a satisfactory mode of proceeding.

1794. Do you not think that the present system by which the proxies are deposited before the questions are put, is liable to place too much power in the hands of the directors, and to discourage useful discussions at public meetings?—There is no doubt about it; but if you do away with the proxy, you must also limit the power of the persons present at any general meeting, so as to proportion it in some way or other to the number of proprietors, and the amount of stock represented.

1795. Are you aware that in the East India Company, and I believe in the Bank of England now, proxies are not allowed, and that a question is put, and, if carried, it is in the power of any nine persons, whether they be directors or proprietors, to question the decision and demand a ballot, and then a ballot is taken on a subsequent day, or proxies might be taken, and do you not think that would be an improvement?—It would be an improvement, no doubt.

1796. But you think many of the difficulties under which companies have laboured, and still labour, may be traced to the mode in which proxies have been used, and that the general body of proprietors have not been able to exercise that control which they might otherwise have done?—I think it is very likely that if the body of proprietors knew upon what questions they were going to vote, it would have a very salutary influence, in many cases, as to the votes they gave.

1797. What is the system prescribed under the Globe Act of Parliament, of which you spoke?—I am speaking of the Liverpool and London Act of Parliament, and not of the Globe.

1798. Was that the Act of 1836?—That was the Act of 1836. The Act of Parliament does not interfere with any question of that kind; it is a simple Act of Parliament to enable the company to sue and to be sued in the name of the chairman.

1799. It does not direct how the votes are to be taken?—No, it does not at all go into questions as to the proprietors *inter se*.

1800. Mr. *Finlay*.] You stated, did you not, that you thought the whole of the capital of Limited Liability Companies ought to be paid up?—Yes.

1801. Supposing a company has been formed, with a nominal capital of one million, and that they commence their business, and in working it they find that they require only a capital of 500,000*l*., the other 500,000*l*. remains a burden upon them; do you think they ought to be allowed to reduce it?—I do; I think every facility for that reduction should be given to them.

1802. Mr. *Morrison*.] What practical advantage is there in that?—The practical advantage is this: that if you do not advertise a large amount of nominal capital which may practically be as much out of reach as if it was never advertised at all, by reason of the subscribers not being able to pay it if it is wanted, you get rid of one means of blinding the public to what you really possess.

HENRY BARRY HYDE, Esq., called in; and Examined.

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1803. *Chairman*.] YOU are connected with banking in Liverpool, are you not?—I am general manager of the National Bank of Liverpool, Limited.

1804. Your attention has been directed, I believe, to the operation of the Act of 1862, and to the working of limited liability combinations generally?—It has.

1805. Will you kindly state to the Committee any suggestions which your observations enable you to make for the improvement of the existing law?—I think that it is very important that companies should be allowed to reduce the liability upon their shares when they find it to be too large.

1806. Have you known cases where there was any practical difficulty in that respect?—In our own case, for instance, we have shares of 100*l*. each, with 15*l*. paid, and a nominal capital of three millions. We find now that that is too large and, in the present uneasy feeling in the country respecting limited liability, it is thought to be desirable to reduce the amount, but we cannot do so except by winding-up.

1807. And that would destroy you, I suppose?—It would be most objectionable; because I believe that it has been found in the companies which have already attempted to reduce their shares by winding-up, that the very persons who were most prominent in inducing them to do so would not afterwards take the new shares, but wanted to be paid off as for the full amount for which the company would wind up.

1808. In point of fact it means final dissolution, does it not?—Yes.

1809. Do you think, therefore, that a company having an excess capital of that kind, should be permitted

permitted by resolution to reduce it?—Yes; and by giving full notice to the public and the creditors.

1810. How would you propose to protect the creditors?—Any company which wanted to reduce its capital ought, I think, to give at least three months' notice in the "Gazette," or perhaps in two London papers and in two local papers, and to send round a notice to each creditor. Perhaps it might be advisable also, that they should print the fact upon any official documents which they issued.

1811. Why might it be desirable?—Because, for instance, bills or letters of credit may get into the hands of persons who would have no opportunity, not being creditors at the time, of knowing it.

1812. And you would put the word "reduced" as well as "limited?"—Yes.

1813. Do you think that in such a case as you have mentioned, where there is obviously an excess of capital, that fact has the effect of reducing, if I may use the phrase, the quality of your constituent body, and of driving out from you prudent and substantial men, and bringing in men of a more speculative turn, and with less property?—It may have that effect lately, but it had not before.

1814. Do you think that there are a large number of companies in the same position as the one of which you speak, who are anxious to reduce their capital?—A great many.

1815. Do you think that it would be as a matter of public credit and advantage if power were given to companies generally to do that?—Yes, I think that it would.

1816. Do you agree with the evidence which has been given here, that a certain amount of capital is held in a sort of suspension, in consequence of this overhanging and needless liability?—Yes, to a very large amount.

1817. Does that apply not only to banks, but to companies, for manufacturing and mining, and other purposes?—I think, to all new companies.

1818. Do you think that the creditors could be thoroughly and efficiently protected consistantly with that power of reduction?—Certainly, because, having three months' notice, the creditor can get his money.

1819. You would not propose, I presume, to alter in any way the liability of shareholders from what it was at the time when the reduction took place *quoad* creditors then existing?—No, I would suppose it to be in this way: that the alteration was made on the 1st of August next. I would propose that a shareholder, having £. 100 share on the 31st of July, should still retain his liability upon them for a year. The effect of it would be that, at the end of the year, there would be an infinitesimal amount due under them.

1820. Do you think that that would be a sufficient protection for the creditors?—Quite so.

1821. Is there any other practical suggestion which you would wish to lay before the Committee?—I think that it would be advisable that where shares are fully paid up, they should be allowed to be payable to bearer or to order, at the wish of the holder, and that afterwards they should be re-registered if it was thought necessary.

1822. Then you would give them the privilege of registration, but you would not make it compulsory?—Yes, but I would not give them the power of attending at meetings, or of voting at meetings.

1823. Is there any other point which you wish to lay before the Committee?—I think that it would be a great advantage if there was some simple manner of binding all companies, either by the signature of their manager or secretary, or of one or two of the directors. At present every company is bound by its Articles of Association, and a great number of them differ as to the manner in which the company is to be bound. For instance, one company will be bound by the signature of its manager; another by the signature of its secretary; another by the signature of a manager and a director, or two directors and the manager; and some require to have the seal impressed.

1824. All this leads to irregularity and difficulty, and you would desire to have uniformity for the purpose of preventing that irregularity and difficulty?—Yes; I think also that the system of audit is a bad system for large companies, and I think that it will be found that, at some future day, it will lead to fraud. It is quite impossible for auditors really to audit the accounts of a large bank, or of a large company.

1825. Then what would you suggest as in substitution for the present practice?—I think that if it was left to the directors and officers, then the public would have the opportunity of knowing who the directors and officers were, and of trusting them if they liked it.

1826. Then would you abolish the audit?—I would abolish making it compulsory, as at present.

1827. Do you think that it leads to a false security, and that it is not efficient?—I think it leads to a very false security, and that it is not at all efficient. With reference to what one of the witnesses stated to-day respecting the sale of shares, and the transfer not being registered, perhaps it might be advisable that the shareholder who sold might have the power to request the directors to sell the shares standing in his name, if the transfer were not registered within a month, the directors to hold the proceeds for the original purchaser.

1828. Do you think that that would be a practical suggestion?—I think so.

1829. Mr. *Morrison.*] How is a person who wishes to transfer his shares to know whether the share is transferred or not, without going and looking at the register; is any notice sent to them now?—No.

1830. He sells his share on the Stock Exchange, but he sells it to some person whom, probably, he does not know, and he receives his money; but he has no information when the transfer has been effected, has he?—None whatever.

1831. Do you think it desirable, to prevent any possibility of fraud, that some notice should be sent to him, either through the post office, or otherwise?—In some companies it is usual to send a notice, on application, for the transfer of shares.

1832. Would you make it compulsory?—I would have no objection to making it compulsory, but I do not think that it would be much good.

1833. When shares are fully paid up, or when a large portion has been paid up, say 50 per cent., or 75 per cent., have you considered whether it would be desirable to compel the company to advertise that upon every document issued by them, in the same way that they are now compelled to add the word "limited" to the

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name of the company?—I do not think that it would be necessary, because the company would be registered.

1834. But the public at present have no means of ascertaining what portion of each share is paid up, except by going to the Registrar's office, and paying a shilling and searching his books?—They can go to the office of the company, and it ought to be always posted up at the office.

1835. But supposing I live in Yorkshire, and I want to sell something to a company in London, and it is not convenient to me to go up to London to consult this register, what am I to do?—You have the same opportunity of knowing it as you have of knowing it in any company whatever.

1836. Would you see any objection to the lists of shareholders being published from time to time, so as to be bought at a cheap price by the public, which is sometimes done as a matter of profit?—The list of shareholders in banks is already published once a year.

1837. That applies to Limited Liability Banks as well as to Unlimited Joint Stock Banks, does it not?—Yes; in point of fact, there are two lists published; there is one list made up to the 31st of December in each year, which is published by the Stamp Office, and another list is sent to the registrar 14 days after the annual general meeting.

1838. That applies solely to banking companies, does it not?—Yes.

1839. Would you see any objection to that being required to be done by other companies except as regards the expense?—Not the slightest.

1840. Mr. *Finlay.*] With regard to what you said about the amount of capital paid up being posted up in the office so that persons can ascertain it, does that apply only to banks?—I believe that it applies to insurance companies also.

1841. Does it apply only to those two descriptions of companies?—I believe so.

1842. With regard to the expense and difficulty of reducing the capital, I believe that other difficulties exist, such as the difficulty of getting the sanction of all the shareholders to take the new shares?—Yes.

1843. Will you explain exactly what the process would be supposing that a company wished to reduce its capital?—First of all, it would have a meeting of its proprietors, and resolve that it should be wound up; it would then appoint liquidators and commence winding up; concurrently with that, there should be a resolution to establish a new company altogether with a different name; it should be registered, and the shareholders in the old company should be induced to take shares in the new company.

1844. Supposing that all the shareholders would not agree to take shares in the new one, what would happen then?—Then the company falls to the ground.

1845. Or supposing that an original shareholder, after agreeing to take shares, changed his mind, and would not take shares in the new company?—Then the company would have to pay him off at the market price, or he may, I believe, if he wishes, have the company wound up, and take his portion of the assets, whatever it may be, or it may be settled by arbitration.

1846. Do you consider that, practically, it is a desirable thing for a company to adopt that means of diminishing its capital?—I think that it is impossible.

1847. Has it been tried?—It has been tried, and I believe not very successfully by any company.

1848. Has it been found very expensive and very difficult to get the sanction of the old shareholders to take the new shares?—Yes, and most troublesome.

1849. With regard to creditors; supposing that a company wished to reduce its capital, and supposing that some creditor holding debentures or bonds payable three, or four, or five years hence, how would you secure them?—I would not allow the company to reduce their shares until they had paid off their debt, or settled with the creditors in some way.

1850. *Chairman.*] By payment, or by assent?—By payment, or by assent.

1851. Mr. *Finlay.*] Do you think that that arrangement might be made?—I am unable to say as to companies with debentures what the effect might be at present.

1852. As to the intimation which you have suggested should be put upon the documents of all companies which had reduced their capital, I presume you would only have that intimation put upon the documents for a certain limited time, such as three, or four, or five months?—For a certain limited time from the date when they give notice until the date when the shares were reduced.

1853. Would you think it desirable that when the whole capital is paid up the shares should be made payable to bearer?—Yes.

1854. How would you act with regard to public meetings; for instance, how would you know what shareholders should attend public meetings?—I would not allow those shareholders who held shares to bearer, to attend those meetings.

1855. But supposing that they all held shares to bearer, as has been proposed by some witnesses, what would happen?—There must be some alteration in my suggestion in that case.

1856. Would you allow a person to come with a single share in his hands?—I would not; I think that it would be very objectionable in many ways.

1857. Mr. *Stephen Cave.*] Upon what principle would you prevent the holder of shares to bearer from coming and voting at a public meeting?—At present the directors of public companies have the power of objecting to allow a person to become a member, and they do that for the purpose of keeping away some person who may be notoriously objectionable. If shares were payable to bearer, all such a person would have to do, would be to buy one share in the market, and go in and disturb the meeting.

1858. Practically, do the directors exercise that power?—I have never known it exercised, but one can easily understand that in times of panic, there may be some person whom it would be very objectionable indeed, to allow it in a public company.

1859. Is it not possible that a person who may be very objectionable to the directors, may be very much otherwise to the shareholders?—I should think not, because the shareholders would have the power of turning out the directors, if they did not approve of them.

1860. You think that the holder of shares to bearer, ought not to vote at the meeting?—I think not, but I would give him the power of registering

istering shares in his own name, at any time he iked, if the directors approved of him.

1861. Would not that be putting rather too nuch power into the hands of the directors?—They have the power at present.

1862. Would it not be inviting them to exercise it, which they do not do at present?—I hink not; the directors would be bound to give ome reasonable excuse.

1863. You say that the audit is useless; I presume you mean that it is useless, because the auditors imply compare the vouchers with the payments?—Exactly; for instance, in a large bank, unless he auditor actually knows the name upon each ill, and unless he actually knows the value of he responsibility of each person who owes a debt o the bank, his audit is valueless.

1864. Even if he did, he would be bound, I uppose, not to take any notice of it?—He would ertainly be bound to take notice of it, if he saw bad debt put down as a good one.

1865. Could an auditor go so far as to inquire nto the solvency of one of the debtors to the ank?—If he does not his audit is useless.

1866. But practically, is it a fact that he does o?—It is a fact that in my bank he does so.

1867. Does he inquire into the worth of the ssets?—Yes. In electing our auditors, they were lected for the reason that they really knew the people.

1868. Does not such an audit as that go far beyond the ordinary audit?—I think so. I have heard of a case of an auditor who audited the accounts of a bank, and there were 2,000,000*l.* of liabilities which he never saw.

1869. But those ought to have appeared upon the face of the accounts, ought they not?—They ought to have appeared upon the face of the account, but they did not, and he never found it out.

1870. But how would you gain by abolishing the audit altogether?—I would not abolish the audit, but I would not have it compulsory.

1871. You would have a statement of accounts periodically, of course?—Yes, and I think that the statements of the accounts ought to be registered more frequently than they are.

1872. Then what would you substitute for the audit?—Merely the public belief in, and appreciation of the truth of the directors and officers of the establishment, as is the case at present in unlimited companies.

1873. Do you consider that that would be sufficient without the audit?—I think so.

1874. You would not forward the accounts to the Board of Trade to be audited?—Not to the Board of Trade.

1875. Mr. Alderman *Salomons.*] Are you not aware that Parliament has specially directed in banking companies, that there must be an audit, and that it is forced upon them by Parliament now?—It is, but I think that it is almost worthless.

1876. But would you not suggest some substitute for the audit, such as an audit by the directors, or some formal audit by which it could be known that the accounts had been looked into?—The directors and officers of the bank are supposed to be always auditing the accounts.

1877. But unless there was some system of compelling them to audit, under some specific responsibility, do you not think that it would be neglected?—I do not think that it would be more neglected in a limited bank than in an unlimited bank.

1878. With regard to railways, do you know who audit their accounts?—I am not competent to speak about railways.

1879. With regard to another point; no doubt you have your reasons for the opinions which you hold; what is the inconvenience of the system which you complain of; that in some companies the manager is responsible, and in some others a director with the manager or the secretary only is the responsible signature by which the company is bound?—For instance, when bills come into my hands with the acceptance or the indorsement of a public company, I am unable to say whether that acceptance or endorsement binds them. For instance, two directors and the secretary may sign, and the Articles of Association may require that there should be a seal upon it.

1880. Would you not rather take it in this way: that anything which, on the face of the instrument, proposes or appears to bind the company should bind them?—But I believe that it does not bind them.

1881. But should not the law be altered so as to make it bind them, in their own way, rather than interfere with the way in which the company carries on its business; do you think that it is necessary that the executive should prescribe a system that is to be uniform, but rather that whatever signatures appear to bind the company on the face of the documents should be made by law binding upon them?—Exactly.

1882. With regard to shares payable to bearer; are you not aware that the great difficulty, as regards shares payable to bearer, is the stamp laws?—Yes; but I think that it might be easily arranged that some *ad valorem* stamp might be placed on each of them.

1883. But the present system is that every transfer of shares from hand to hand must have a stamp; what would the Chancellor of the Exchequer say to your views?—I think that the Chancellor of the Exchequer would find that a great number of shares in banks do not change hands once, perhaps, in a dozen years.

1884. Do you mean to say that the present system, by its being heavily taxed, is an injury to trade, and is without benefit to the revenue?—Yes.

1885. Are you aware that the Stamp Act is evaded in the case of many companies, by the shares being transferred in blank?—I have heard of it.

1886. Therefore in all probability, if the Chancellor of the Exchequer would contemplate the lowering of the stamp on the transfer of shares, it would facilitate trade, while probably the revenue would not suffer?—I think so.

Friday, 12th April 1867.

MEMBERS PRESENT.

Mr. Alderman Salomons.
Mr. Stephen Cave.
Lord Frederick Cavendish.
Mr. Finlay.
Mr. Graves.
Mr. Hubbard.
Mr. Lowe.
Sir Graham Montgomery.
Mr. Morrison.
Mr. Solicitor-General
Mr. Watkin.

EDWARD WILLIAM WATKIN, Esq. in the Chair.

The Honourable Sir William Page Wood, Vice-Chancellor, Examined.

Sir *W. P. Wood.*
12 April 1867.

1887. *Chairman.*] The object of this Committee is to ascertain what improvements can be made in the Act of 1862; and they would be glad if you would kindly explain to them the results of the experience which you have had of the working of the Act, and give any suggestions as to its practical amendment?—Perhaps I may be allowed to say, in the first instance, that I have had the great advantage, through the honourable Chairman's kindness, of reading the evidence which has already been given before the Committee, and that will very much curtail any observations which I might otherwise have had to make; but it may possibly be satisfactory to the Committee to know that, before I received the evidence, I had myself drawn up a summary of the several points which appeared to me to require consideration in the inception of a company, in its course of procedure whilst in operation, and in its winding up; and in the different heads which I so take into consideration, I find that I have touched, I think, upon almost every head which I find in the evidence; and in a great part of the evidence I should certainly agree.

1888. Will you kindly follow that order which you have indicated?—If you will allow me, I will follow that order. First, as to the inception of the company; with regard to that point which has been raised by several of the witnesses, viz., the prospectus and its disagreement with the memorandum of association, and the articles of association: the Committee are now so entirely in possession of what those three documents are, that I need not waste time in describing them; but I have not myself seen quite clearly laid down in the evidence what the exact position of the contract is between a person asking to become an allottee of shares, and the company with whom he so contracts. Now, the contract is formed in this way: a man who writes to the issuers of the prospectus saying, "I am desirous of becoming an allottee of shares in your company," has to sign a document which is usually in a printed form, and which is almost always in exactly the same form, in which he says that he asks for so many shares if they can be given him, and he says that he undertakes upon receiving those shares to become a member of the company, and to be bound by the deed of the company. That is the whole contract. He has not, as seems to have been thought by one honourable Member in a question which I see was put, himself to sign anything. All that he signs is that paper saying, "I ask for shares, and they being given me, I consent to be bound by your deed, whatever it may be." The Committee will at once see how important it is that that deed should be an existing deed. Of course a man may bind himself to subscribe a non-existing deed, whatever it may be; of course it is a very foolish bargain, but people are very foolish, and many of them have done so. But then the Courts have said this (though I am now touching upon somewhat delicate ground, because there is an appeal to the House of Lords upon the subject), "When you have not a memorandum of association already made out before you issue your prospectus, when you have not an existing deed, but are inviting people to be bound by that which does not as yet exist, we must look upon the prospectus as the footing of the contract," and therefore it is that the prospectus is taken out of that class of instruments which it ought to be, and nothing else, viz., a puff; I say that it ought to be so, because when you see the manner in which prospectuses are framed, they really are puffs, and ought not to be regarded as legal instruments; and that is the only thing which a man has had put before him, upon which he is to enter into the contract at all. I should not cite it as my own decision, but I held it in two cases, both of which have been confirmed upon appeal by Lord Justice Turner and Lord Justice Knight Bruce, the two judges concurring. I only mention those cases to show exactly how the point arises, and how desirable it is that it should be made clear, one way or the other. The cases will best explain themselves in this way: one case was this: a company issues a prospectus calling itself some sort of finance company, and the thing has exploded. It would not signify if I mentioned the name if I remembered it, but I do do not remember its exact name. However, it was a finance company of some sort. It stated in the prospectus the objects of the company, which were to carry on banking and all business connected with that of bankers and dealers in bullion, and that was all. Then a number of persons applied for shares. No deed then existed, and no memorandum of association then existed; and those persons bound themselves by all the provisions of the Deed of Association as soon as their shares

shares were allotted. Then, of course, the company must have their deed before the allotment. Having that they send out the allotments, and tell a man that he is a member of the company, and the directors go to the registrar, and return him on the register as a member of the company. He finds out, some little time afterwards, that this deed, which he supposed to be a deed to carry into effect the prospectus as to the banking and the dealing in bullion, contains a clause enabling them to deal in a variety of other ways, which are specified; one being to carry on "any other mercantile business whatsoever"; so that they might be drysalters, or hop merchants, or carry on any other trade they might think fit, of which he had no conception at all, of course, when he signed the prospectus; and on the man's coming within a reasonable time after he was first aware of any such transaction taking place, I held that he was not a member of the company, and on this ground, that I regarded the prospectus as the only authority which the directors had for registering him with the registrar. He had read that prospectus, and he said: "On the footing of that prospectus I authorise you to put my name down to this deed;" just as if he had signed a power of attorney authorising a man to execute a deed of partnership with a brewer at a given place, such as Burton, and the man had executed a deed making him a partner in half a dozen breweries all over the world. Of course, the execution of such a deed under such a power of attorney would be invalid as being an excess of power. It appeared to me that the prospectus was the only ground for authority on the part of the directors, and that therefore he ought to be liberated, and so the Lords Justices held. I think that was not intended to be fair; but a case about which I had more difficulty, was one in which I believe the company meant to be perfectly fair. It was rather a flourish of their conveyancer in reality than a purposed unfairness. The thing is well known now, and a great number of persons, now that they understand it, are content to remain shareholders. That was a company called the Vyskounski Russian Mine Company. I believe it was a fair and proper concern. The prospectus defined that to be a valuable mine, that it was to be held for 99 years, specifying, therefore, in the most marked manner, that it was a definite and well-known thing called the Vyskounski Mine, because they showed by calculation how much were the profits which they were likely to make, judging from what had been made by other workers; that they would in a certain time pay off the whole of their capital long within the 99 years, and there was to be a sinking fund to meet certain contingencies, and everything showed that it was a simple, definite concern. People took shares. No memorandum and no deed had been registered or even prepared. When the conveyancer came to prepare it, he put in the words "for working the Vyskounski Mine, and generally for buying any iron works whatsoever in the empire of Russia, and for working any iron mines or iron works whatsoever in the empire of Russia." On those grounds I let those people off, because it was as clear and plain a thing as could be conceived; they authorised the directors to make them partners in a given concern; but they made them partners in a concern for working anything in the world in the shape of a mine in Russia. That is an excess of authority, and the main point before the House of Lords will be this, I take it, how soon a person ought to apply, and whether he must not apply immediately he knows what has happened, or when he first learns of any deed.

1889. I suppose in both cases the allottee had not signed the articles?—He had signed nothing but that letter: "I have received your paper, and I apply for so many shares, and I undertake on allotment of them to become a shareholder in this company." That appears to me to show at once the position in which the thing stands with regard to the prospectus; and in the remedy which has been pointed out by many of the witnesses, I may shortly state that I concur, viz., that no prospectus should be issued until the memorandum and articles are at least printed. It will not be even necessary to register them, because you prepare your memorandum and your articles and send them with the prospectus; and then if the man does not choose to read them, of course it is his own fault; if he reads them, of course he is aware of what he is doing, and then the prospectus is reduced to what I think it ought to be, viz., an advertisement or a puff. They say, "Here is our prospectus, and here are the articles, and those are the things by which we are to be bound;" but it is the articles by which they ought to be bound, and that I see is suggested by several of your witnesses, and I entirely concur in that.

1890. One objection which was made was that the articles of association might be so voluminous that it would be impossible to attach them to the prospectus?—If so, the book post is now very cheap, and fourpence would take almost any deed that I know of. It would not be a very heavy tax upon the resources of the incipient company to do that, and I think that common honesty and fairness require that it should be done. I quite agree with what so many of the witnesses say—that they cannot protect people against themselves entirely; but I think that, in enabling persons to raise such large sums of money as they can do by this scheme of joint-stock companies, you ought to take care, at least, that the persons to whom they issue the shares should be well informed, and for the sake of the promoters as well; because the promoters are involved in litigation by the keeping back of information, and great trouble and annoyance are caused. That would be my view upon the inception of a company as to the prospectus.

1891. You would be of opinion that the allottee should know everything?—That the allottee should know everything. I am now coming to a second point, which I think he ought to know also. I consider that the prospectus should state distinctly what is to be paid for promotion money, because a man ought to know that he is buying so much money's worth, with whatever he subscribes. He is buying a mine, say, or a banking business, or any other business; and, of course, he knows that he must pay for it. There must have been negotiation, and he expects to pay a fair sum for promotion money; but I may tell the Committee that I have seen several cases in which the whole scheme was obviously to pay the promotion money and nothing else; and that promotion money, in one case, to my great surprise, was to a banker (not in London, or near London; I do not wish to give a nearer clue than that), who took 10,000 *l.* out of the funds of the company, simply for having been so clever

Mr. *C. White.*

13 May 1867.

2827. But do you think the insurance company or the assessor ought to be a public prosecutor?—The assessor would know much about the fire.

2828. But who is to prosecute? — Suppose there is a gentleman appointed to inquire, if he had 12 detective officers, they should communicate with the assessor, and then the assessor with the gentleman appointed, whoever he might be. You might ask how the fire happened, and the insured would say that he did not know; he did not cause it; what can you do—you cannot prove it.

2829. How would the officer be paid?—As it is for the public benefit, it might be paid out of the Brigade rate.

2830. By a salary?—No; by fees I think; so much for each fire.

2831. You refer only to London I suppose?—Say Manchester, Liverpool, Birmingham, and all large towns.

2832. How would you do in country districts?—I think the chief constable should be the gentleman to move there; I find the superintendents of police generally very intelligent men. My instructions at the County Fire Office, are never to prosecute.

2833. Mr. *Tite.*] The companies will endure anything rather than prosecute?—I think so.

2834. Mr. *Lusk.*] You have settled about 100 cases a year?—My brother and myself have settled within two years, 636 losses by fire.

2835. You say that a large number of the fires you have are suspicious?—Yes.

2836. In what respect do you consider them suspicious?—Suppose I found the flooring covered with tar, and found paper under the counter that should not be there, steeped in naphtha, or that I found fires in two or three places at one time, that is, I think, very suspicious.

2837. Are all the cases marked "suspicious" in your list of that character?—Yes.

2838. Does the suspicion arise in consequence of anything in the claim?—Yes; the claims which we do not receive until some time after are frequently very exorbitant. I have seen six fires at one time in different parts of a building.

2839. Do you think a man should always send in a strictly correct claim?—He might from erroneous judgment claim a little over; say 10 or 15 per cent.

2840. But take a man who is strictly conscientious?—I think he should send in a correct claim, if he is strictly honest.

2841. Is there any class of people who are very unfortunate in having frequent fires?—In Jews from Poland and Germany there are a very great many. Jews are very unfortunate.

2842. I ask that because I have seen the same thing mentioned in America?—Yes.

2843. Is there any particular class of tradesmen among which fires occur frequently?—Yes; chandler shopkeepers, clothiers, grocers, and dealers in unredeemed pledges; the sort of shops Jews frequently keep.

2844. Are they often people in needy circumstances?—Yes; directly a fire happens a detainer is often lodged against the money.

2845. Do you find that fires occur more among the needy and the poor than the well-to-do?—Yes.

2846. Do you think that the offices take care enough in receiving risks?—No; I think the competition is too great.

2847. You think that that is the cause of many fires?—Yes.

2848. The offices put temptation in the people's way?—Yes; it is very easy to get insured, where a policy is issued for 1,000 *l.* for stock, and there is not perhaps 350 *l.* worth; I mentioned the circumstance to the manager of one of the offices lately, who said, "It does not matter how much they insure for, because they will not get it."

2849. Then if the offices are reckless in taking risks, how should we be able to cure this disease by legislation?—There is a difficulty.

2850. You think that there should be an investigation in every case of fire?—No, not in every case.

2851. How do you propose to make the exception?—The assessor of losses would be able to judge.

2852. Do you know that a man who has his chimney on fire may be summoned before a magistrate?—Yes.

2853. Do you think that there should be any exception with regard to summoning those who have fires in their houses?—None.

2854. You think there should be a summons taken out against every man who has a fire in his house?—That would be rather hard, I think, where the fire is accidental.

2855. But if you make exceptions who is to be the judge whether there shall be proceedings or not?—I think the assessor of losses should be the judge.

2856. Is he a person that the public would have confidence in?—I do not know. The person appointed should be well-educated, a barrister, perhaps.

2857. Would it not be better to go to the magistrate at once?—He would be a very good man, no doubt.

2858. It would be best to take the man before the magistrate at once, you think?—Yes.

2859. And fine him 1 *s.* or 5 *l.*, as the case might be; would you approve of that suggestion?—That would be a very excellent suggestion, I think.

2860. Mr. *Kinnaird.*] Can you quote any instances within your own knowledge, where a judicial investigation would have been beneficial?—I will give a few cases; in the first case, the person was a clothier; the cause of fire was very suspicious; he arose at six o'clock, lit the fire in the shop, and went out for a walk, and the house was on fire 10 minutes after he left; his aunt was burnt to death; her life, in which he had no interest, was insured in two offices; and he got the money he claimed for loss by fire, 680 *l.* 10 *s.*, and was allowed 305 *l.* 15 *s.*; that was settled by arbitration, and was 5 *l.* in excess of my offer.

2861. He had two policies on the life of the aunt in that case?—Yes. There is another case; there was a person in business for about four months; two brothers had four fires, and there was notice sent from the Superintendent of the Fire Brigade not to insure. They effected an insurance in an office not belonging to the establishment, which did not therefore receive notice. The amount claimed was 565 *l.* 12 *s.* amongst which was an item of 10,000 *l.*, for bird skins, which he said were purchased at the door from sailors; the amount allowed was 350 *l.* He brought an action for trespass for keeping a man in possession, and obtained a verdict for 50 *l.* in the Sheriffs' Court; the jury determined the verdict before hearing the defence and asked if they could not give more than 50 *l.* A juryman, who was a Jew, got up and said,

"We

advantage. I was not aware of the cases which were mentioned in the evidence, but I know them now; and one case was mentioned where a large sum was expected to be obtained, and was obtained, for the price of a business, and then it was found that they had a great deal more capital than was wanted. Of course, it would be very desirable that in such a case they should have an opportunity of diminishing it. Adding to the company's designation the word "reduced" might be desirable, possibly; I do not feel a very strong opinion upon that, though it might be some sort of caution. It has occurred to me that there are some creditors who may not get notice of it; of course, there should be exceedingly ample notice of any such reduction given to them, but I do not think that the mere registering at the register's office would do it; there should be notice in the newspapers, or something of that sort, for this reason: that taking, for instance, the case of a bank, customers and others may not hear a word about it unless there is very ample notice, and they may go on carrying on their accounts, and they may find the capital reduced without their knowing anything at all about the matter; but that being done, I should not feel any difficulty about it. Of course, if you have to get the consent of a creditor, then the notice is less important.

1896. Except in the case of a bank where a man might be not a creditor on the first of the month and might be a week afterwards?—Just so. Then there is another important point about which I have not seen so much said, even by the registrar, Mr. Curzon, as I think its importance requires. A clause in the Act requires that it should be stated how much the shareholders have each paid up, and whether they have paid up all, or whether they are to be deemed to have paid up all. That last is an important point, because very often when you buy a mine, for instance, the man takes the price of it in paid-up shares, though he really has paid up nothing. A case occurred in my court in which some gentlemen came to rectify the register in this respect. They were obliged to do it by Bill, for there is not a clause for rectifying the register in that respect. They were certain people who had engaged with persons who were contractors for, or in some way connected with a railway, that they would assist them in a certain way, and that they would take shares as a security for this assistance, which were to be merely securities; it was a mortgage transaction, and those shares were to be in their names, but they were to be entered as paid-up shares of the company; the Directors coolly entered them as shares not paid-up. The bank, thought they had got a security for 10,000*l.* or 12,000*l.*, instead of which they found they had a liability for 20,000*l.*, or some large sum like that. Therefore, it is very important that that entry should be seen to, and should be made correct. This touches upon the point of the mode in which the register should be kept. Generally the directors have the control of the register; they ought to have that, but they also ought to have the responsibility. I agree with many of the witnesses who say that they would not punish the directors for misdemeanour unless where there is fraud in the prospectus, or in a report, it can be done, as was pointed out by one of the witnesses, under a special Act; but, if they are not so liable, I would certainly make them liable for the consequences. If anybody was aggrieved by having anything to pay they should have a personal remedy against the directors, and the directors should be wholly responsible for it, there being besides a general remedy against the company of course. That, I think, very nearly disposes of all that I have to say about the registration; and I have only one other thing to speak upon here, which is this: I quite agree with the witnesses who think it is not desirable that the company should not be allowed to deal in its own shares, except in that mode which has been pointed out. I mean that there should not be given to the directors the opportunity of what is called "rigging the market." If done at all, it ought to be done by a general meeting of the company, and, of course, when they deal in their own shares they should be always entered upon the books as paid-up shares, so that the creditor would know that he had nothing to trust to. In effect it is one way, no doubt, of reducing the capital.

1897. One witness, who was examined the other day, stated that he had no doubt, that if we had the secret history of many of those companies we should find that the directors and promoters had gone into the market and bought large quantities of shares, and had then allotted a smaller number than they had bought, and thus unjustly raised the price in the market to a premium, and thereby, of course, induced people to come and take shares; has the experience in your court led you to believe that such has been the case?—I have not had such a case, but looking at the fearful frauds that I have seen, I do not much doubt that there are such cases. There is one other point which I wish to remark upon, and that is this: it is a notion which I saw suggested by the Stock Exchange; but it was not named in the ten things which they suggested to the registrar, and which I have been reading in the evidence. It is a suggestion, which seemed to me to have considerable value in it, as a thing to be, at least, considered, whether all contracts for shares should not specify the numbers of the shares. The object is to prevent such a proceeding as is said to have occurred; I cannot say, of course, whether it is true or not true, it did not come before me (although I had the Agra and Masterman's Bank before me), it was said, that there was a good deal of unjust "bearing," as it is called, by people who never possessed shares, in order to discredit that bank. That could not very well take place if every contract for shares required the number of shares to be specified. Then you would be dealing with an actual thing, or you might ear-mark it in any other way, so that it might be specified; or else the contract should be utterly void. That is all that I have to say with reference to management, so long as the company is going on. I now come to the dissolution of the company, either from its being insolvent, or from the people not wishing to carry it on any longer, though it is generally from insolvency. Here one thing at once occurred to me, which was this: I myself have a very strong opinion that there should be no compulsory winding up by the Court of Chancery, except in case of positive fraud; where there is fraudulent conduct on the part of the directors, you want compulsory winding up, but the mode in which I should say all windings up should take place, would be this: to leave the whole thing to the company, putting the creditors aside for a moment,

Sir *W. P. Wood.*

12 April 1867.

moment, and considering only the shareholders and directors. It generally arises in this way, that the creditors are satisfied with the solvency of a certain number of shareholders, and they do not want to wind up at all; but they sue an unfortunate man who is able to pay them, and he pays: he wants a contribution from his co-shareholders, and if they will not contribute, of course he wants to wind up the company. I should suggest that the winding-up should be always one of two kinds, either simply voluntary, which of course requires no comment, or what is called a winding-up under the supervision of the Court, which is a different thing from the Court winding-up up the company. There is what is now called a voluntary winding-up under the supervision of the Court, but voluntary winding-up is one thing, and a winding-up under the supervision of the Court, is another thing. That would apply to the class of cases that I have mentioned, where a single person being pressed by the creditors of the company, the majority of the company saying, "Let them press you, the creditors will not make the company bankrupt, we do not care about that." Of course that man must be relieved in some way or other; my proposition would be, that he should apply for winding-up under the supervision of the Court, and the Court would say, "This company must be wound up," but would leave the process of winding-up and the appointment of liquidators to the company, simply giving the power to apply to the Judge in chambers, both to the shareholders and to the creditors, in the case of their wanting any guidance and assistance from the Judge on a point of law.

1898. Purely on points of law?—In cases also of fraud or misconduct, or even in some cases of discretion. Generally speaking, I should say that the company ought to have their own way as to matters of discretion, and I should rather leave it to them. I was going to put one case before the Committee, which will illustrate my utter incompetency (speaking for myself only) to deal with mercantile transactions of the magnitude of the Agra and Masterman's Bank. First, take the case of liquidators. I ought to have asked them to give security. I was obliged, in order to meet the bills which were coming due daily or weekly, to appoint what is called a provisional liquidator immediately. I said, "What can we do about security?" They said, "You cannot get anybody; he will have to receive 700,000 *l.* in the fortnight;" and he did so. I could not get anybody to give security for 700,000 *l.*, and for a fortnight I was obliged to stand the chance. Ultimately when the permanent liquidator was appointed I had to countersign one cheque of 700,000 *l.* myself, and I ordered the provisional liquidator to pay it at once to the credit of the new liquidator at the Bank of England; it was in his name. But even then when the permanent liquidator came to be appointed, the Committee will at once see the enormous difficulty about security. In truth, we cannot get adequate security, and we are obliged to do the best we can. The Committee are already in possession of the fact, that single firms have an enormous number of those concerns in their hands. We all trust in the responsibility of these firms, because supposing the firms to come to any mischief with all the securities which they must have given for them, every one can easily see what would be the result

1899. It has been stated that there were 69 such cases in one firm?—Yes, one sees the impossibility of the thing. In the case of the Agra and Masterman's Bank they came to me one day just as I was leaving my chambers, and said, "We want an order from you immediately in order to telegraph to India that they shall pay certain indigo planters 300,000 *l.*" I was obliged to ask the gentleman to get into a cab with me, so that I might see what he had to say as we went along. I said, "Of course I cannot take this responsibility upon myself, and the thing must take its own course." He told me that the consequence might be that the indigo planters upon whom the bankers had security for a very large sum, something near a million, might come into trouble if they had not this relief given to them. I said, "I cannot help that; I am utterly incompetent to deal with it—the company must deal with it for themselves." Those are very large instances, but when in small cases I have been asked to direct prosecutions, and things of that kind, I always say, "You must settle that amongst yourselves. If the company are of opinion that the matter should be prosecuted, and I have a case laid before me, I will exercise my judgment upon it." But I take care that the company shall exercise theirs first, and my notion would be to leave the Court merely to determine in cases of difficulty. I think there is something a little tending towards that in the new Bankruptcy Act, giving a good deal more power to the persons who are really interested than to the Court in dealing with their property.

1900. Relying upon their self-interest, in fact?—I think that is the true principle to go upon, but of course the Committee will see that there may be many cases which might be put, such as that of a man being ridden down by a company, the company saying, "We will not relieve you; we will make you pay." We must have power to say: "The Court say that you shall be wound up," and steps would have to be taken. So far as regards shareholders. As regards creditors I rather agree with the evidence given by one of the witnesses, whose name I do not remember, who says, that it should not be left to a creditor to have the great power which he has upon alleging possibly a fictitious debt, or claim, for the mere purpose of winding up, to say that the whole concern must go through Chancery at once. I should deal with the creditor in this way: I should say that a creditor must take some step analagous to that which must be taken in bankruptcy, bringing in the company and giving them the power of saying, "We dispute the debt, and we wish to have it tried before any further proceedings are taken at all." And then, if it is to take place, of course the creditor has a greater right than the shareholder to wind up; but I should deal with the creditor just as you have dealt with the shareholder. I should leave it to the creditors themselves, just as you would leave it to them in bankruptcy, to choose their own liquidator and to concert their steps with the company itself, as to the winding up; and I would leave it open, only in cases where difficulty arises, to apply to the judge. It appears to me that the proper functions of the judge is merely to decide some point of discretion, which savours more of law than of fact.

1901. Whereas at present the judge is compelled to be a man of business as well?—Yes I migh

I might mention the case of the Agra and Masterman's Bank again, as to the mode in which I finally disposed of that case, to my great relief. Ultimately an arrangement was come to in which every shareholder concurred; there were three or four creditors, whose claims were large in amount, being about 100,000 *l.*, who opposed, but that was in a case of some millions; and all the shareholders and other creditors agreed to hand over to a new bank the whole of the assets. There is a power contained in the present Act of 1862 of settling a concern; I hope I did not stretch it; there has been no appeal upon it; I had my misgivings, but it was so obviously for the benefit of everybody that I did it. I sold the whole concern, from one bank to another, and, as you may easily imagine, I was a mere machine. I heard all that the shareholders said, and I heard all that the creditors said, and I found that those men who knew their own affairs, were in favour of it by an enormous majority, and therefore I did it. Why should not that have been done without coming to me?

1902. I think that the result has been a very fortunate one?—I think and hope that it has been so. That would be my mode as to winding up. Now I believe that I have gone through the whole of my suggestions; and though there are several minor points which have arisen from time to time, I will not deal with them, except in answer to any question which any Honourable Member of the Committee may wish to ask me; but I would add this to all that I have said, and which I am afraid is too long a story already: I observe that a question was asked of the Master of the Rolls as to his notion of the expediency of having limited liability companies altogether. I quite agree with him, and with his very able chief clerk, Mr. Church, in saying that, in many respects, we should have a considerable bias from seeing the worst cases, and we must always take that into view. We should have a very bad opinion of human nature, and of the mercantile world generally, if we were to judge of the whole body of English merchants by the cases which come before us, which are, of course, mainly cases of fraud and imposture. When I looked at Mr. Curzon's statement of the number of companies that had given notice of winding up I was surprised; for in both those which have been wound up and dissolved since 1862, I find amount to only one-seventh of that number; and, therefore, it appears to me plainly that the thing must be working beneficially, and that people must suppose it to be so. On the other hand, of course, I know that a vast number of frauds have been committed, and we must endeavour to keep people on their guard as much as possible; and so long as that is done, I do not see why the matter should not be left to work itself through, and why a beneficial measure should not proceed, even if foolish people are ruined by it.

1903. It has been suggested that it would be desirable that a qualification of the directors should be established; that is to say, that a director should not be in the position in which he now is, of being permitted to have only one share of a farthing; but that he should be required to hold some substantial interest in the concern; what would be your view upon that point?—I should not so much care about that if the Committee should think it right to recommend what I before suggested, viz., sending the memorandum of association which states the persons signing it. I am not quite sure whether it states the number of shares, but if it does not it ought to. That being stated I think that as long as the person knows how it is, I do not want any more to be told him. If he sees a man with only one share, and if that is all the interest which he is taking in the concern, he will act accordingly, and if he is wise he will have nothing to do with them. There is one clause in the Act which says, that people who sign the memorandum shall be directors until others are appointed. I had a case come before me where they took care not to have a meeting for about a year and a-half afterwards, and they did a good deal of mischief in the meantime. I think that it might be wise to say that the first general meeting should take place within a short time of the formation of the company, say a quarter of a year or half a year, whichever may be thought fit, so that the shareholders should be able to stop that sort of direction going on, because those who subscribe the memorandum of association are self-elected directors.

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1904. It has been suggested by one witness that, in all cases of winding up, the creditors, if there are any, as well as the shareholders, should be represented by a liquidator; would that be your view?—I agree with the Master of the Rolls, that it is a double expense; and I cannot say that I have ever been in the least assisted by having the double body before me; it has always occasioned great expense.

1905. I think that Mr. Church suggested that there were cases in which it would be very useful if the Court had a power to refer to any particular county court in the country, cases where, from the locality and other circumstances, it should seem that dispatch and economy would be promoted by that course; what is your view upon that point?—I think that that is a very good suggestion, and I should quite agree with it. I am not speaking off-hand, because I had a case where I very much wished to do it, about five or six months ago; it was the case of a poor woman, and it was very distressing to me. The company, I think, had a capital of 700 *l.* or 800 *l.*; they did not happen to be under the Friendly Societies' Act; I tried hard to get them within it, but I could not make it out, and I was obliged to wind them up under the authority of the Court, which, of course, was very mischievous.

1906. Mr. *Morrison.*] I think your Lordship was speaking of companies being got up with a view simply of promotion money; the Court does occasionally order the promotion money to be returned, does it not?—If it is promotion money which is paid to any of the directors, the Court has power to do that, and it might have power also in certain other gross cases; but they must be gross cases. In a gross case it might make the directors who had paid the promoter pay it again as a malemployment of the money entrusted to them, but it is very rarely that you are able to hit them in that way.

1907. How would you propose to enforce any rules as to the insertion in the prospectus of the amount of the promotion money, and the cost of the purchase of the undertaking?—I should make the directors there personally liable to an action.

1908. A civil action?—Yes; if the memorandum of association and the articles of association are not sent, I should (waiting for the decision of the House of Lords on that point) be inclined to say that the man never was a share-

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2924. You think that that could be done without any very great amount of time and trouble?—Yes; he could go round at any time when it is convenient with the turncock, and learn the districts.

2925. Mr. *Tite.*] Had you ever any communication with the late Mr. Braidwood, on the subject of the turncock system?—Yes; many years ago, in Mr. Knight's time; it is 25 years since.

2926. What did he say?—That he would not undertake the responsibility of having his men taught. He said that it was enough for him to look after the fires.

2927. Have you had any distinct complaint from Captain Shaw of the want of water in your district?—No; not of want of water, but of the lateness of the turncocks. We have had 46 fires in our district this year, and I have had two letters from the Board of Works, complaining that the turncocks were 10 minutes behind time.

2928. Mr. *Gorst.*] You wish it to be understood that you have had complaints of the turncocks not arriving in time, and therefore a deficiency of water at first?—Yes.

2929. But on the turncocks arriving the supply is found sufficient?—Yes.

2930. Mr. *Tite.*] There is no want of water the moment you get the man there who understands it?—No; our works are under great pressure with the principal mains.

2931. The great mains are generally charged?—Yes, and most of the collateral mains.

2932. The turncock has to turn the water on to the actual spot where the fire is, and in a narrow street the main may not run; that is his duty, and nothing else, is it not?—Just so.

2933. *Chairman.*] Have you anything to add to your evidence?—No.

Professor Lyon Playfair, called in; and Examined.

Professor *L. Playfair.*

2934. *Chairman.*] You are Professor of Chemistry at the University of Edinburgh?—I am.

2935. Have you paid considerable attention to the applications of chemistry to the arts?—I have.

2936. You are besides a director of Young's Paraffin Company?—Yes, I am one of the directors.

2937. In your double capacity you have studied the subject both practically and commercially, as well as scientifically?—Yes; I happen to have been acquainted with the rise of mineral oils since its commencement, from having suggested to Mr. Young the useful application of a petroleum spring in Derbyshire in the year 1848, from which the industry arose.

2938. You were besides one of the Royal Commissioners for inquiring into the state of large towns in populous districts with regard to high pressure of water?—I was.

2939. Have those inquiries had any regard to the supply of water for extinguishing fires?—We took very much into consideration the uses of the constant supply and the intermittent system with regard to the extinction of fires.

2940. What were the results of your inquiry?—We found in some towns which have now a constant system of supply, such as Manchester and Liverpool, but which had then an intermittent system, the greatest objections to the introduction of the constant system, and many arguments with regard to its impossibility. We found at the same time in the neighbouring towns where the constant system prevailed, that it was of great use in the protection of property, and we strongly urged the constant system for large towns, and some of those large towns, such as Manchester and Liverpool, now possess it.

2941. It has been adopted in Manchester and Liverpool?—Yes.

2942. And they are quite satisfied with the system, I presume?—I suppose so; but I do not know.

2943. In what year was this inquiry conducted?—It commenced in 1844, and lasted for two years.

2944. I presume you have directed your attention to the classification of those substances which tend to produce, or promote fires?—I can give you a rough classification, but I do not know that I can give you a scientific one; I would divide the substances coming under your inquiry into two large classes, fire producers, and fire promoters. As fire producers are of very various degrees of danger, I would divide them into three classes; those which are highly dangerous, those which are less dangerous, and those which are least dangerous.

2945. Will you give us an example of a highly dangerous compound?—The substances which are highly dangerous are gunpowder, gun-cotton, nitro-glycerine, alcohol, ether, camphine, sulphide of carbon, naphtha, benzole, phosphorus, turpentine, petroleum, and all burning oils below the legal firing point imposed by the Act of Parliament, namely, 100 degrees (I would go higher than that, but that is the wording of the Act of Parliament): the Act does not allow petroleum to be stored in quantities above 40 gallons unless the inflaming point is above 100 degrees.

2946. Mr. *Horsfall.*] You mean except in warehouses adapted for that purpose?—Yes; The second class, which are less dangerous are sulphur, pyrites, vegetable and animal oils, and fats, all burning oils with a firing point above 120 or 130 degrees (130 is usually taken); bees-wax, paraffin-wax, candles, lubricating oils, greases, pitch, and bitumens. The third and the least dangerous substances are coals, charcoal, and other fuels, vegetable fibres, and fabrics made from them, such as cotton, flax, hemp, and jute; the first class, which I deem highly dangerous, I so include, because at ordinary temperatures, or nearly ordinary temperatures, they take fire readily, and, because water does not put out the fire. If you put water on gunpowder before it has exploded it would prevent fire; but in case it had caught fire there would be no time to extinguish it.

2947. Could you inform the Committee of the temperature at which gunpowder ignites?—If you place a spark on it at ordinary temperatures it ignites.

2948. You are not now dealing with spontaneous combustion?—No; other substances such as alcohol, camphine, naphtha and so on, take fire at common temperatures, if the flame approaches them; or what is worse in that respect, making them more dangerous than gunpowder, they will of themselves travel to flame while the flame

pended upon the wording of it. I was in error in that; but supposing that the wording had been so, that they were not to register him until he had supplied the goods, they could register him as a man who had paid up so many shares, because the law at present lays down that the shareholders shall be registered with the number of shares which are paid up, or which are taken to be paid up.

1925. What further action do you think the registrar should take upon that?—I do not think that the registrar can do anything; but I said that I would make the directors liable personally for anything of that kind even if it is a blunder, because it is a very serious blunder.

1926. I suppose that the law at present is that under such circumstances the shareholder must be relieved?—He can apply to be relieved, but it then becomes a question of difficulty as to what his position is with regard to creditors.

1927. But you would relieve the shareholder and attach the responsibility to the directors?—I think that I said that I should divide the classes into two; where the shareholder has never given any authority to have his name put down at all, then I should strike him off the list wholly and entirely, because he never ought to have been there; but if he has made a sort of bargain of that kind of which the Court must judge in which he agrees to be put down, but says, "You must add something more to that," he must take the consequences of being put down on that register as between him and the creditors, because he has been put down at his own request.

1928. Then he would bring an action against the directors?—He would bring an action against the directors for having made him liable to the creditors for so much.

1929. Could not he do that now?—I am inclined to think that he could, but I think that it should be made clear.

1930. Do you think that the want of numbers on the shares, or of some means of identifying shares leads to the evil consequences of which you have spoken?—I think that it facilitates frauds, as I call them, in selling things which you have not got.

1931. Which sometimes reduces the credit of the company?—It does.

1932. Do you not think as a matter of fact that a single expression of doubt in the money article of the "Times" or some other paper, such as one sees constantly, would do more than all the "bearing" of shares in the world?—Very likely; but I do not see why we should not check one grievance if we cannot check the other.

1933. Would you see any advantage in having shares sold by their registered numbers?—There are others who would be better able to answer that question than I am; I never bought a share in my life.

1934. You would put an end to compulsory winding up by the Court, would you not?—It might be a winding up under the supervision of the Court, but not by the Court. It would be compulsory in that sense, but it would not be compulsory winding up by the Court. The creditor would come and he would make an application and say, "This debt is due to me from the company." If they should dispute it, it should be tried, and the judge should have power to make an order, and they should wind themselves up.

1935. If the creditor was not paid within a certain time an undisputed debt, should the Court then have power to compel the company to wind up?—Yes; they would appoint somebody to represent them.

1936. The winding up would be compulsory, but not by the Court?—The winding up would be compulsory, but not by the Court.

1937. But it would be under the supervision of the Court?—Under the supervision of the Court.

1938. You stated, did you not, that in small cases the winding up might fairly be done by the county court?—I quite think so.

1939. Do you think a county court judge would be quite competent to deal with such questions as that?—Quite so; most of the cases before the Court are done now more by the chief clerks than by ourselves.

1940. Did I correctly understand you to state that you prohibit the directors from dealing in their shares for their own purposes as contradistinguished from the purposes of the company?—"Rigging the market" is the expression, I think. Where shares are to be dealt in at all, it should be by special vote of a general meeting, so that everybody might know it, in fact.

1941. Do you not think that a company in *extremis*, when it is being wound up, and bargaining with a liquidator as to his scale of charges, is something like a person disputing his funeral expenses?—It seems to me that if the liquidator is a wise man, he will make his bargain before he enters upon the matter at all, and he will make the best bargain that he can with them. What one of the witnesses says is very true. There is a very great difficulty in removing a liquidator appointed by the Court. I should not remove them except in case of decided misconduct, or on a very strong representation made by the whole body; and then there is the expense of affidavits on questions of that kind; whereas, if the company appoint their own liquidator, they will appoint him for so long as they please, and discharge him when they please. I suppose that they will make their bargain with him; and if they are dissatisfied, they will discharge him and appoint another man.

1942. I do not ask the question in the interest of the liquidator, who generally takes care of himself; but a company being in a disorganised state, as it generally is at that time, is it not at the mercy of the liquidator; is it not the case, that there are only a certain number of people to whom it can go, and to whom it can apply in its state of disorganisation?—I think they are no more at his mercy than this, that all people who want the best assistance must, of course, pay for it; and if you desire that assistance, you are to some extent at the mercy of the best man, the best architect, or the best surveyor, who will say, "Those are my terms;" and who can stand upon their terms?

1943. In the case of a solicitor's costs, as is well known, they are taxed by the taxing master?—Yes.

1944. Do you think that you could apply the same or a similar operation to the liquidator's charges?—I think that it would be extremely difficult. That is the greatest difficulty that we have. The judges have talked it over amongst themselves with reference to arranging the liquidator's charges, and they have found it exceedingly difficult to hit upon a principle. This thing I am become certain of. You see it constantly

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stantly occurring, and that when the number of cases which are attended to are considered, it cannot be quite correct to say, as I have heard liquidators say in my chambers, "I have been so many hours in attending to it." If we had a return of all the number of hours which they charged for before all the different judges, I think that we should find that they charged for a good many more hours than the year contained. It is very difficult to get at; we cannot check it.

1945. Do you think it would be a useful provision in the amendment of the Act to provide that, after the company is formed, within a certain time, a meeting shall be held to confirm or otherwise the directors who are on the memorandum of association?—I think that it would be desirable to have it early.

1946. And for that express purpose?—Yes, for the express purpose of electing the directors. The Act says that those shall be directors who have signed the memorandum till others have been appointed by the company.

1947. As to the registration of transfer, we have had a good deal of evidence, as you have seen. In the interest of the transferor, could you suggest any method of making that more immediate and more perfect than it is at present, so that a transferor might compel the registration of the transfer of his shares?—At present, I do not think that there is any serious difficulty if the persons are both in earnest, but I suspect that the real cause of this difficulty has been that on both sides there is very frequently a great deal of hesitation amongst speculators. The difficulty usually arises with speculators, and the difficulty arising with the speculators, each side is willing to take all its chances of something turning up, which may be favourable to it, and, therefore, they keep themselves off the registrar as long as they can, but I think that it might be desirable to say that both the transferor and the transferee might insist upon being registered immediately, pursuant to the deed, because I do not propose to take away that power which the directors have under the deed; but I think that you might say, that, subject to their discretion (if any) under the deed, the directors shall be bound to order the registration the moment the transfer is brought in to them. Under the 35th section we are able to strike a man off or to put him on when he has been improperly omitted; and when in case of winding-up there has been any improper delay, we have had to consider that question two or three times in the different branches of the court; and it happens in this way sometimes, that a man being the seller who wanted to get rid of his liability, comes and lays the transfer before the directors; they see that he is a good solvent sort of person, and they do not like the person to whom he has transferred the shares, and they have postponed it without any reason, and the next week they have been wound up. In those cases I have held that there has been improper delay, and I have ordered the transferee to be put on. I think, however, that you must leave all parties to their own bargains in a deed, and I do not consider that that is a matter with which the Legislature ought to interfere.

1948. As a matter of fact, the person who sells shares sells them through his broker, knowing nothing at all of the persons to whom they are sold; it is not a contract in the legal acceptation of the word, is it?—Brokers know pretty well whether a man can be insisted upon as a transferee or whether he cannot. At all events, my principle all through, though I may have erred in applying it, has been not to interfere with any bargains which people like to make between themselves, but to cause the fullest information to be given to all between whom the bargain is made.

1949. Would you think it too strong to enact that within a certain time, say a fortnight, the transfer should be taken to be registered unless an objection, which should be forwarded to the transferor, was taken by the directors to the transferee, where they had the power of objecting under the deed?—I think that where they have a power of objecting, it is reasonable that they should exercise that power within a definite time; I think that the law would be sufficiently strong for that. If you send them a notice and say, "I call upon you to say whether you will accept or reject the transferee," I think they are bound to give an answer, and I can see no objection to forcing them to do it, if the law does not force them to do it already. It is utterly unreasonable, of course, that they should hold it in suspense. I remember that there was a case in the House of Lords of Shortridge *v.* Bosanquet, where the directors kept it in suspense a most unreasonable time, shilly-shallying about it; and I think that it was held in the House of Lords that the one man was off and the other man was on the register, notwithstanding such delay, but I am not quite sure.

1950. Without giving the transferor the trouble of making any application to the directors, would it be too strong to enact that after a certain time, unless he received an objection, the transfer should be registered, and his liability should cease?—I think that it might create an inconvenience as to the creditors if somebody else is supposed to be registered of whom the creditors know nothing. I think you had better take the register always as that by which all third parties must be governed. Then I would leave the man who feels he is not fairly dealt by, to assert his right to be put out of suspense, and to say, "You must either register me or you must give me your reasons for not registering me within a reasonable time."

1951. Have you, in your experience, had any cases in which the liability is not enforced against the present and past holders of shares at once?—We always make out two lists for that purpose, list A. and list B. I do not recollect an instance, but my chief clerk would know better than myself about that, if it was thought necessary to ask the question; or I could ask him, if the Committee wish it, and let the Chairman know. Personally, I have no recollection of a case of going on to class A.

1952. That is exactly what we heard, the other day, from Mr. Church; but it would seem curious if the remedy failed against one class that the other should not be pursued?—My impression is that it would succeed if there were no pitfalls in the way; but the pitfalls are many. It often happens they come and tell you, "Here is a man whose friends will pay a certain sum if we accept this in discharge." That, by-the-by, is one of the things which I would rather not have to manage; but I have to manage it. My principle has always been to do what the majority think best. I was strongly pressed, in the case of a clergyman who was liable for 3,000*l.*, to let him off for 300*l.* A great number of the creditors

and

and shareholders wished it, but the majority did not. I said, "As the majority do not wish it, I shall do no such thing;" and he ultimately paid 2,000*l.* instead of 300*l.* You could not make any of those bargains if you wish to go upon class A., because they would consider themselves to be discharged.

1953. I suppose that in very few cases you exhaust class B. unless by compromise?—I do not know of any case of its having been actually exhausted.

1954. Mr. Alderman *Salomons.*] May we conclude that the result of your observation and of what you have heard is, that had there been more publicity, that is to say, if the memorandum and articles of association had been placed before the shareholders when the companies were first constituted there would have been less litigation in your court than has, in fact, arisen?—The litigations which have come before me have frequently taken the form of the prospectus difficulty. It may be that one judge gets a run sometimes of a different class of cases from those which come before others.

1955. Of course you are aware that the directors are not always the same persons who are named in the memorandum of association?—Very often they are not the same.

1956. Then would there not be very great security to the company if that remedy were adopted, which, I believe, is now directed by Parliament in the case of new railway companies, viz., that there should be an early meeting of the company, in which power is given to the company to name the directors or to confirm them?—I have already said that I think there should be an early meeting.

1957. Should it not be the same also with regard to their pay, that the first meeting should have some power over the future prospects of a company?—I think they have that power so soon as they meet; they have control over the amount to be paid to the directors, unless it is specified in the articles of settlement, and then, of course, they have made the contract themselves.

1958. I believe in France a late alteration of the law of associations, public meetings have power over the gratuities which the directors are to receive; do you think that that would be a good thing if it were introduced here?—If it is not in the deed you do not want it, of course; if it is in the deed, and the person having that deed before him becomes a member, I think you cannot help him. I should suggest that always before his shares are allotted to him; he should have a copy of the deed, and a copy of the memorandum of association.

1959. Then I understand you to say that under some circumstances you would not object to the company buying its own shares?—I should not object to it if there were a meeting of the company, giving power to the directors so to do.

1960. Admitting that to be so, do you think that the law should prohibit their being able to vote by those shares?—If the whole company know that it is so done, I do not see that anybody is hurt by it. The directors must not make votes for themselves to carry their own measures, it must be a vote of the company to do it. The truth is, it would be much better to enter the transaction in the register, stating that the shares are transferred to the company; leaving it as it is, in fact.

1961. Then would you allow the company in its corporate name to vote upon questions at public meetings by those shares?—It has never occurred to me to think of it, but I should say that it would be unreasonable. What you want is the vote of the shareholders, and who is to direct that vote of the company in its corporate name? I should not give the directors power to do that, of course. I think those shares should be entered in the book as having been bought in by the company, and that they should not be voted upon at all.

1962. Not held by trustees at all?—Not held by trustees, but as a corporation.

1963. Mr. *Lowe.*] I understood you to state that you would not allow the prospectus to be issued until the memorandum of association and the articles of association had been prepared, and that they ought always to be issued with the prospectus?—I think what I said afterwards, in answer to a suggestion by an honourable Member was, "Send out yourprospectus, and on receiving a reply, send the memorandum of association and articles of association, and the bargain is not made till that is done."

1964. Would you have that stated in the prospectus?—I would have it stated in the prospectus.

1965. Then would you enforce that if they did not do it?—I would enforce it. I should hold that unless that were done, a man never was a shareholder at all, and never entered into any bargain at all, or assented to any deed of any description; and, therefore, he would be struck off as being in my first category: but where a man has given a certain amount of authority, he has a remedy against the directors.

1966. For withholding information?—If that is wilfully done; but it would assume this form: that unless they can show that the man has had the articles of association, he has subscribed to nothing, and is therefore not liable.

1967. People generally now do not have the articles of association, do they?—They do not, but that is the great cause of the evil.

1968. But they are still shareholders, are they not?—They are still shareholders, if the prospectus agrees with the memorandum of association, and not else. It is a litigated point, but at present it is decided by the Lords Justices that they are not shareholders.

1969. Then the only remedy for this default would be that you would allow an action to be brought against the directors, if any injury should appear to have occurred to a man from it?—Yes. The other default which I mentioned was as to entering him incorrectly as to his shares, but I would not constitute him a shareholder until he has had the memorandum and articles.

1970. Even if he had not wanted to have them?—If he writes to say, "Put my name down for anything."

1971. Supposing he merely has his name put down, not knowing the provisions of the Act?—I should say that anybody not having had the articles of association is not a shareholder. He applies for shares, and the prospectus will say, according to my view, "On your application you will have those articles sent to you, and on allotment, you will become a shareholder," because the directors know very well that they cannot make him a shareholder without that having been done.

1972. Would not the effect of this man being put on the register be, that no person would be safe in trusting the company without inquiring into the company's previous transactions before the man was put on the register?—I think not;

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I would give to all creditors actions against the directors for putting anybody on the register who ought not to be there.

1973. But do you not think that inconvenience would arise from that?—I really think no inconvenience would result from that, and if any inconvenience did arise, I think it would be overweighed by the prevention of an enormous facility for fraud.

1974. Is it not very desirable that the register should be conclusive evidence of a person's being a shareholder?—It is not now conclusive, I think, that it is *primâ facie* evidence, and it should be that.

1975. Then, supposing that those two things which you say ought to be in the prospectus should be omitted, viz., what has been paid for promotion and what has been paid to the directors, how would you deal with that?—I should leave that in the second class of cases to which I have referred, and the man should make application to the Court to be struck off; but I think there should be a distinction between the man who has never authorised his name to be put on and the man who has done so, but who has been misled.

1976. Supposing a man has authorised his name to be put on in ignorance of what has to be paid for those things, would you allow him to make that a ground for being struck off?—I should leave it to the Court to decide whether it is a case in which he ought to be struck off altogether or not; if it is not, he can only be struck off for the future.

1977. But supposing the promotion money is moderate in amount, and the directors' remuneration money is also moderate, but that they have omitted to insert them; in that case, I understand, they would be in default?—They would be in default.

1978. Would it be any ground for striking a man off, if they were in error?—I think that, generally, they should be obliged to do it. I think you might easily provide for that. If it is a case amounting to fraud, the Court might strike him off for the future; but if he has given an authority, and allowed himself to be deceived, it is simply his negligence, and not fraud.

1979. Supposing that it has not acted on his mind at all, what then?—I think he is entitled to say that anything acted upon him that might have acted upon him. You cannot dive into a man's mind.

1980. With regard to voluntary winding up, do you think that is a good way of winding up an insolvent company?—I think so; and I think that creditors are beginning to find it out now.

1981. Is there not this difficulty in it: that the company has no particular interest in the matter; only a certain sum remains to be paid up on the shares, and it does not much matter to the solicitors and liquidators, and so on, whether they go to the expense of winding up or not?—What I propose is, that the creditors should have the power of giving an order to wind up, and that it should not be done by the Court; and then the creditors will appoint their own agent, when it is a creditor's case, and that agent will apply to the Court for directions, in all cases where it may be necessary, using the machinery of the Court.

1982. Do you contemplate that the creditors should have the right of winding up the company?—I think the creditors should have the right of winding up; it comes to that.

1983. It is obvious that they are the persons interested in winding up, the thing best when it becomes insolvent?—Of course, sometimes it is not known whether it is insolvent or not.

1984. There is a point as to the injury which companies sustain by unfair applications to wind them up; what is your opinion as to that?—That I should meet as regards the creditors in the way which I have mentioned, and which I have seen already suggested in the evidence, viz., that there should be a course like the traders' debtors summons; that the creditors should apply first for payment within a certain time, or for leave to wind up, leaving the company then an opportunity of coming in and saying, "We dispute the debt." Then the debt must be tried first, before he can proceed.

1985. You would not allow him to wind up until the debt was established?—Certainly not.

1986. If it was a judgment then I suppose it would go at once?—It would go at once then unless they could say that there was a case for disputing the judgment.

1987. It has been stated to the Committee that the judges of the Court of Chancery are, to some degree, in fault in the matter; that they require, by their rules, a petition to be filed a certain number of days before it is heard, thereby inflicting injury on the company; do you concur in that?—They are at fault in a great many things, I dare say, but not in that, because it is laid down that you must advertise the petition for so many days.

1988. Is that a good rule, in your opinion?—I think that guarded in that way it may be right.

1989. It is not always a debt, is it?—No; you are aware that there is another provision of the Legislature which meets the difficulty in a great degree as regards the interim evil, as to the assets, by enacting that you may apply, the moment that they present the petition, before it can be heard, to stop the action, so that the creditors may not all come pell-mell and destroy the estate, while the time is running out for the action.

1990. The damage which has been brought before us rather arises from the publicity which is given to the fact that such proceedings are pending against the company, but that you think is sufficiently remedied?—Yes.

1991. There are other grounds, are there not, on which people sometimes apply for winding up, besides debts being due to them?—Sometimes they make a business of it.

1992. The Act allows companies to be wound up for other reasons, does it not?—Yes; the Act allows it for there being a debt which is not paid, the company having ceased to carry on business for a year, the company being in a state of insolvency, if that can be made out; and then there is a general provision, "or for any other reason for which the Court thinks it expedient that it should be wound up." That is considered to be connected with what has gone before. With respect to debentures, I ought to mention (though I do not know that my opinion is worth anything in the matter, not being much of a man of business), as regards the proposition which has been made by several of the witnesses for limiting the borrowing powers of the company and the comparison which has been instituted with the case of railways, it appeared to me that the analogy was not a proper one, because in railways you are allowing the company to take people's property compulsorily, and it is a great safeguard in such a case to know how much capital

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capital can be raised. For instance, if a man sees that capital cannot be raised, he feels easy and comfortable that his property cannot be taken, and they can only borrow so much. There may be a very good reason for it there, but I see no reason myself for saying that a company may not do anything it pleases as to borrowing.

1993. In fact, there is no more reason for limiting the borrowing powers than for limiting the bills of exchange which a banking company is to endorse?—Just so; and it did not seem to me that the analogy was a correct analogy, because there is a reason in the case of railways why people whose property it is proposed to take compulsorily should know whether their property is likely to be taken or not.

1994. Mr. Alderman *Salomons.*] Do you think that where the directors do anything illegal, they ought to be made personally responsible in law?—I suppose that they would be responsible as trustees, if they misapplied the assets in any way; they are held in that way to be trustees of the assets of the company, and for that they are responsible.

1995. Supposing that a company ought not by its constitution to accept bills, and that it does accept bills, and that parties are able to sue the company; ought not the directors, who are parties to such acts, to be held liable personally in law, not criminally, but civilly?—I really have not very much considered that question; I am not so sure that the parties who deal with them ought not to see that they have the authority to do what they purport to be able to do; I think that there is a good deal to be said for it, but I really have not considered it enough to be able to give a precise answer upon it.

1996. Mr. *Solicitor General.*] I understood you to suggest that the contract should be held not to be complete until the articles of association had been sent to a particular shareholder?—That is my notion.

1997. Would there not be a great deal of difficulty in working out that practically, in such a case, for instance, as that of a man who actually remains for some time on the register, and receives profits?—We always keep on any man remaining on the register and receiving profits.

1998. The liquidator is generally appointed by the Court, is he not?—He is generally appointed now by the Court, but the contest takes place in chambers, and there is usually a sort of poll; so many vote for A., and so many vote for B.; and when it is a contest between creditors and shareholders, we are every now and then in a difficulty.

1999. When he is appointed by the Court in that way, there is no contract between the liquidator and anybody else; he is a mere officer of the Court, is he not?—Yes.

2000. Then the Court has absolute control over the amount of fees which he receives?—The Court has control over the amount of fees which he receives, but there is no knowing what to do about it.

2001. The costs have been taxed in some cases, have they not?—They generally seem to me, I may say, to get too much; but I am a very bad judge of that.

Mr. John Howell, called in; and Examined.

Mr. J. Howell.

2002. *Chairman.*]—You are a Merchant in the City, of long standing, I think?—I am.

2003. You have considerable dealings, have you not, not only in this country, but in France?—Yes.

2004. You were examined before the Committee of 1851, were you not?—I was examined before the Committee of 1851, and I gave evidence in 1854 before the Royal Commission.

2005. And, I think, you suggested a Limited Liability Bill then?—In the year 1856, when the subject was before Parliament, I had an interview with the Minister of the day, and I gave my ideas of such a Bill as, in my opinion, was required at that time, a copy of which I have with me, which, with the permission of the Committee, I will hand in.—(*The same was delivered in.* Vide *Appendix*).

2006. I think that your connection with the City, and the great interest which you have taken in the question of limited liability, have given you an opportunity of watching the operation of the existing Act of 1862?—That is so.

2007. You having taken such interest in the question, and having had opportunities of watching the operation of the Act of 1862, what the Committee desire to know is, what practical suggestion you can give to the Committee for the amendment of the Act of 1862, so as to obviate any evils which you may have discovered in its operation?—In my judgment, the legislation on the subject in this country has been very pernicious. If more care had been observed, many of the calamities from which the country is now suffering would not have ensued; and I particularly refer to the evil of having introduced limited liability for companies, without having, at the same time, provided for the adoption of the principle in private partnerships.

2008. I think you stated that you had had abundant opportunities of watching the working of the Act of 1862 in its operations in the City?—I have.

2009. Have you seen evils and difficulties which you think might receive a practical solution?—I would wish my observations to apply to the Bill of 1865 as well as to the Bill of 1862.

2010. It is the wish of the Committee at present, entirely to confine their inquiries to the Act of 1862, and to those practical improvements in the Act of 1862, which would tend to remove any difficulties and evils which may arise under its operation?—I have little to say on the Bill of 1862; I consider that had limited liability for private partnerships with registration been introduced into this country, contemporaneously with the other Bill, certain businesses to which limited liability is now applied, would naturally have found their way into private partnerships. I think that limited liability has been perverted in this country, and that it ought to have been reduced into one system, and partly adopted, under the milder and more moderate form of partnerships *en commandite*, in which the *gérant* is subject to the bankruptcy laws, and, as in ordinary partnerships, is unlimitedly liable.

2011. Then, in point of fact, you would alter the Act of 1862, by increasing the responsibility, in some shape or other, of the directors and promoters?—I do not offer that opinion.

2012. Have you any suggestion that you can offer to the Committee, in reference to the amendment of the Act of 1862, which is at present the matter of their proposed inquiry?—With reference to that Act, I have no amendments to offer, and no suggestions to make.

Tuesday, 30th April 1867.

MEMBERS PRESENT:

Mr. Alderman Salomons.	Mr. Goschen.
Lord Frederick Cavendish.	Mr. Lowe.
Mr. W. E. Forster.	Mr. Morrison.
Mr. Watkin.	Mr. Solicitor-General.

EDWARD WILLIAM WATKIN, Esq., IN THE CHAIR.

HENRY THRING, Esq., called in; and Examined.

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2013. *Chairman.*] THE Committee are anxious to receive from you any suggestion for the improvement of the law of 1862, which your experience in connection with it may enable you to give them?—I am afraid that I have but very little to say about it, but I think that it would be a good thing to enable societies, such as water-colour societies, and a variety of charitable societies, and otherwise, to adopt the organization of the Act. They are at present deterred from doing so by the use of the word "limited." I certainly do not attach any value to the use of that word, and I should be inclined to recommend that a word such as "corporate," or "incorporate," or some term which would distinguish them from an unlimited company, should be substituted, simply for the purpose of enabling a variety of societies which have a difficulty in getting a charter (charters being very expensive) to avail themselves of the organisation of the Act. I do not think that there is the slightest risk about it; I believe that the idea that the word "limited" is required to warn the creditors is merely imaginary. Every creditor knows well enough the nature of an incorporated society, and I would enable such societies as I have mentioned to use some neutral word.

2014. I suppose that the reason that such societies as you have mentioned do not like the use of the word "limited" is, that they are not associations for profit?—They are not associations for profit. Curiously enough, at common law they are not partnerships, and the members are not liable to unlimited liability; but, inasmuch as the Act of 1862 only made two classes of societies, limited and unlimited, they necessarily fell into one or the other of those classes, and, unless they use the word "limited," they necessarily become unlimited by the Act. Perhaps upon this point I may state, that a great many societies represented to me some time ago how very desirable it would be that they should be allowed to come in, and I did my best for them by asking for a clause that (the Board of Trade being satisfied that they were not for the purposes of gain) they might be registered. The plan was disapproved of in 1862 by the law officer having the conduct of the Bill, and the societies above mentioned are still unable to avail themselves of the Act of 1862.

2015. Would that suggestion apply to companies generally under the Act of 1862, or simply to those companies?—I should simply propose to pass a clause that the word "corporate," or "incorporate," should have the same effect as the word "limited," and then I would allow societies desirous of being registered under the Act of 1862 to adopt that word or the word "limited" as they liked. There would be a difficulty in distinguishing between companies or societies which are not for the purpose of trade, and those which are for the purpose of trade; there would be a possibility of fraud if you declared that the one class should use the one word, and that the other should not; I personally do not believe in the slightest degree that the creditor wants any warning at all. At the present moment, if a society be unlimited, it is its object to spread as widely as possible the fact, because then it gets more credit; I think that the introduction of the word "limited" was very unfortunate; everybody who knew anything about a society at all would know whether it was limited or unlimited.

I think also, it was a misfortune that they omitted a clause in Mr. Lowe's Act, which was very carefully settled, which clause gave the company an express power to make contracts by its agents; it was put in in order to avoid a very difficult question of law as to the nature of the contracts in which a company may bind itself by its agents apart from the corporate seal; and we considered that the American law, which declared that the company should be bound like an individual by agency, express or implied, was a good rule. Unfortunately, I think that clause was ordered to be omitted in the Bill of 1862; and if a new Bill were brought in, I consider that it would be advisable to restore the clause; it can do no harm, and since it was struck out of the Act questions have arisen as to whether contracts are, or are not, binding upon the company; and it is impossible to imagine a greater fraud than for a man to enter into a long series of transactions with the secretary of a company, and then to be suddenly turned round upon, and told that these contracts do not bind the company, because they are not under its corporate seal.

2016. In point of fact it gives them an option if the bargain be good, of availing themselves of it; and if it be bad, of repudiating it?—Quite so; Lord Campbell, I believe, in Sinnott's case held that a contract made by a company "in the usual course of business," would bind the company

ompany, although it were not under seal; but hen there always arises the question of whether r not it is in the usual course of business. I hink that that clause was a very good one, nd I should recommend its restoration. It vas in the Act of 1856.

It appears to me, though perhaps I ought carcely to say so, that the Courts of Law ave carried the doctrine of misrepresentaion to an extraordinary and very injurious xtent. I think that, if I take shares unler a misrepresentation, I certainly ought to ecover damages against the person who has een guilty of that misrepresentation; but I annot see why that justifies me in having my ame taken off the register, and thereby injuring very other shareholder and every creditor of the ompany; and I believe that lately the Courts ave shown a greater disinclination to strike off hareholders. To reduce it *ad absurdum*, I nay put it in this way: where the prospectus is misrepresentation, it might quite be within the ounds of possibility that every shareholder in he company might be entitled to throw up his hares, and leave the company without any shareholders at all, the creditors not having the slightst possible means of helping themselves. I think that they ought to have adhered to what I understood the common lawyers to hold, when the Act of 1856 was passed, viz., that a man had a right to bring an action of deceit against anybody who could be proved to have misrepresented in any way; but that the shareholders should not be allowed to escape by releasing themselves from obligation towards innocent persons. I think that is a mistake to hold that, in a contract to take shares, the fraud is in the company. A corporate body cannot be guilty of fraud. Very often, as everybody knows, there is one rogue among the directors, who deceives all his brother directors. All the rest may be fools, but they are certainly not, as a general rule, knaves; and I think it is very desirable, if possible, that the Committee should express an opinion that that doctrine had been carried too far. But whether or not you could legislate upon it, is a very difficult question indeed; because it is difficult to reverse decisions.

2017. Have you considered whether, and in what way, legislation could meet the difficulty; the difficulty being, I presume, to get at the real culprit? — That is the real difficulty. I think that when the Courts have held prospectuses to be binding contracts, when everybody on earth knows they are puffs, it is rather strong law. The inclination of the Courts of Equity is to consider that everybody who comes into a company ought to have all manner of safeguards thrown round about him; but whenever you have to deal with companies you know that people go into them without the slightest possible consideration; they do not take the trouble of reading the papers, and they do not look into a single thing; they go in on the chance of its turning out successfully, and if it turns out unsuccessfully, as soon as the first call comes, they endeavour to escape by every possible means, fair and unfair. I think that the list of shareholders should be held sacred by every possible means; and I would not strike them off, and thereby reduce the company to a nonentity, and injure the creditors and every innocent shareholder; but, as I said before, it is very difficult to legislate upon the question.

2018. But still you think that the creditor requires that protection? — The creditor, if he looks to anything at all, looks to the list of shareholders, and he suddenly finds that the richest of the flock gets out of the whole concern, on the ground that the prospectus said they were going to work mines in Brazil, whereas, when he looked at the memorandum of association, that power was given to work mines in Brazil, and somewhere else, or on some misrepresentations of a like character, which everybody knows have not the remotest influence upon the shareholder in deciding whether he will take shares or not. I would, as far as it is possible, make fraud criminal in whatever guise it appears, but I would not allow a man to escape from his obligations to other persons, because A., B., and C., the directors, had cheated him. There is only one other question on which I think my opinion would be of the slightest value. I find that the expenses of liquidation are enormous, and I should rather think that if it were a rule of the Court of Chancery that liquidators should be allowed no money except money out of pocket until they had wound up the company, that would considerably accelerate their proceedings, and I think it would not be an unfair rule.

2019. You think it would accelerate the process of winding up?—I think so; allowing them money on account; though you might have men who would be much better able than myself to speak upon that point, I fancy it is a very injurious mode of conducting large transactions.

2020. Of course one great object of liquidation is dispatch?—The greatest possible object is to get it through.

2021. And you think that what you suggest would give an inducement to the liquidators to use greater dispatch?—I should think it would, but I am not sufficiently acquainted with the interior working of the Court of Chancery to know what would be the objections to it; it was suggested to me some years ago, when I was employed in Chancery proceedings, and I think it would be probably very desirable.

2022. That is rather a matter of practice than of legislation, is it not?—It is a matter of practice rather than of principle; but these matters of practice are of the utmost importance, I believe, in these cases.

2023. Will you kindly read the clause in the Act of 1856, to which you referred just now?—It is in the 19 & 20 Vict. c. 47, s. 41; that clause was in the Act of 1862, and was afterwards struck out, as I think, unadvisedly; it is as follows: "Contracts on behalf of any company registered under this Act may be made as follows; (that is to say,) 1. Any contract which, if made between private persons would be by law required to be in writing, and if made according to English law to be under seal, may be made on behalf of the company in writing under the common seal of the company, and such contract may be in the same manner varied or discharged." That is merely declaratory as to the effect of the common seal. The next paragraph is of importance: "Any contract which, if made between private persons would be by law required to be in writing, and signed by the parties to be charged therewith, may be made on behalf the company in writing, signed by any person acting under the express or implied authority of the company, and such contract may,

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in the same manner, be varied or discharged." In other words, a written contract by a company may be made by its agent; then lastly: "Any contract which, if made between private persons, would by law be valid, although made by parol only, and not reduced into writing, may be made by parol on behalf of the company by any person acting under the express or implied authority of the company." That is comparatively of little value, because there are very few parol contracts, but it makes the list complete, and I think No. 2 is of great value; that it should be clear that if a company choose to employ an agent, and to let him represent them, he ought to bind them by writing; and that if the agent is dishonest, and he goes beyond his powers, then the company ought to suffer.

2024. Mr. *Lowe.*] Do you know why that clause was left out in the Act of 1862?—I was ordered to leave it out on the ground that the law was sufficiently settled, but I do not think it is sufficiently settled.

2025. *Chairman.*] It never came before Parliament, did it?—It never came before Parliament.

2026. Mr. *Lowe.*] It was settled enough, was it not, that the company was not bound except by its seal?—There is a doubt about it, since Lord Campbell's decision.

2027. I suppose that law was never applied except for the purpose of cheating somebody, was it?—Never; it is almost absurd to say that when a man represents a company, and conducts a long negotiation in the name of the company, he should not bind them by writing, and in some of the railway cases there were the most cruel instances in which men had invested large sums of money on the faith of those contracts, and then were turned round upon, simply because they had not required the annexation of the seal. Lord Campbell held that a trading corporation may make a binding contract, not under seal, if it relates to matters necessarily incident to the purposes and the objects for which the company was created; that was in the case of Henderson against the Australian Royal Mail Steam Navigation Company; and then there was a case of the London Dock Company against Sinnott, in in which the same doctrine was maintained; of course that goes a considerable way to do away with the absolute necessity of this clause; but, on the other hand, it is always a very difficult question what a court or jury may think necessarily incident to the purposes of a corporation, and I cannot for the life of me see any possible harm that can result from this clause, which lays down the law in a declaratory manner, and quite clearly.

2028. Mr. *Lowe.*] When was that case decided by Lord Campbell?—It is in the "Jurist," new series, p. 830; I think there are now about nine volumes of the "Jurist," so that it would probably be about nine or ten years ago, but I am not certain.

2029. Was it between the two Acts of 1856 and 1862?—I think it would be between the two Acts of 1856 and 1862, but I am not absolutely certain.

2030. Mr. *Morrison.*] You say that you would make fraud criminal; it is criminal now, is it not?—What I meant was this, fraud is only criminal now when it is committed for particular objects and for particular purposes. For instance, it is not criminal to puff a company in any degree of extravagance whatever, however fraudulent i may be in the ordinary sense of the term.

2031. Would you make it criminal to publish puffs?—I would not; for I have already said I do not think that puffs are of sufficient conse quence; but I would make it criminal where a man is deliberately going to transfer his shares If I transfer my shares to you, and, in order t induce you to take that transfer, deliberately an knowingly misrepresent to you the circumstance of the company, I see no objection to making i criminal.

2032. Supposing the prospectus is an actua misrepresentation of the facts, would you regar that as a fraud?—I should have no doubt abou its being a fraud, but whether you make it crimi nal or not is another question. I would certainl allow the man to bring the civil action.

2033. You would not make it criminal?—I ar not prepared to answer that question off hand, i is so very difficult.

2034. Have you any suggestion to mak as to any machinery for punishing such fraud —I think the existing machinery, if properl put in motion, would be efficient. Supposing that a fraudulent prospectus is issued, an you take under that prospectus, we will say a thousand pounds worth of shares, you woul have a right to bring an action and recover th thousand pounds. I think that would be th proper way of punishing it for that purpose Whether you should further make it a crimina offence, is a very wide question, and one upo which I should not like to give an opinion a present.

2035. With regard to questions of fraud i matters of transfer, is there the same inducemen in the case of limited liability companies to prose cute as there is in frauds committed on privat persons?—I do not quite understand the question Do you mean, supposing I transfer shares to yo in a limited liability company?

2036. I was thinking of a general transfer t men of straw; such a thing might happen, migh it not?—With respect to the transfer to men o straw, oddly enough the English courts, in tw or three cases, decided that it was legal; but believe lately (I am speaking from memory) th Master of the Rolls has decided the other way as the American courts have done, that a transfe to men of straw is void.

2037. With regard to your suggestion tha liquidators should receive no payments excep money out of pocket until the liquidation is com pleted; do you not consider that there may b cases of liquidation which may necessarily exten over many years?—Yes; but I presume you migh meet exceptional cases, if it happened that liquidation extended over many years, by givin the Court power to make a special order as costs. It ought never to do so, so far as can judge, but my opinion upon that is of n value.

2038. Mr. *Goschen.*] Supposing the case of company with 100*l.* shares, where the whole the 100*l.* is paid up, do you see any legal difficult or objections to making the shares payable bearer?—That would be, I presume, when it practically stock.

2039. Would you make the shares payable bearer, so that they can pass from hand to ha without the shareholder's name being register in the books?—My opinion is of little val on such a point, but I do not see a leg

egal difficulty in it. It is done very largely, I believe, with respect to continental shares, but he opinion of any man like the Right honourable Member himself is worth more than mine.

2040. The legal difficulty would be this: there are certain clauses in the Act of 1862 which require the addresses of shareholders to be taken down, and notices to be sent to them, and so on; what portion of the Act would have to be changed, I apprehend, in the case of shares to bearer being introduced?—The case put is that of a company having all its shares fully paid up. Then, I presume that if you issued those shares, and let them go from hand to hand, the holder for the time being would be entitled to receive the dividends.

2041. And you would conceive that it would be possible to arrange it satisfactorily as regards his voting at general meetings, and so on?—I really do not know; I cannot see why it should not be so.

2042. Mr. *W. E. Forster.*] Suggestions have been made to increase the facilities given to limited companies, and to enable them to reduce the amount of unpaid capital; do you see any legal difficulty in carrying that out?—Of course it could be carried out by Act of Parliament, but I presume the honourable Member asks whether it would be injurious or not?

2043. That is the bearing of my question?—Everybody who has been a practising barrister with joint stock companies knows the reason why it stands as it does in the Act is this: A company comes and consults a counsel as to what shall be the value of the shares, and the answer invariably is, "If you want to have a stable company, make the shares very large; if you want to have the shares float easily, make them small. There is not the shadow of a doubt that a company with 10 shareholders of 1,000 *l.* each is a much more stable company than a company with any number of shareholders with 1 *l.* each. What the companies want to do is, to attract shareholders, in the first instance, by putting the shares at a very large amount, and then to diminish them for the purpose of making them float; but it would be easy to devise a scheme, if it were thought necessary, by which you might prevent any great amount of fraud.

2044. Then, are the Committee to understand that the reason why that power was not given originally in the Act was, because it was thought that it was better to control, in some measure, the companies, and to prevent companies with small shares being established?—Not in the slightest degree. It was that the public might have notice of what they were going to deal with. So long as the public have notice of it, whether it is a shilling share or a million pound share, it does not matter; but supposing you to-day make a company with 1,000 *l.* shares, that is more attractive to careful people than a company with 5 *l.* shares or 1 *l.* shares, because they are usually taken by men of greater fortune, and are held for a longer time, and are not so easily transferable.

2045. However, you see no reason why, with due notice to the creditors and to the shareholders, the amount should not be reduced?—I think that it would be better that it should stand as it is; you will, if you alter the law, constantly have companies endeavouring to bring themselves out with very large shares, and then to reduce them; and, therefore, my own opinion is, that the law as it stands is best, but I think there would be no difficulty in drawing clauses in such a way that no great fraud could arise.

2046. Mr. *Goschen.*] Do you think that a large share is attractive in the first instance?—It is attractive to the creditor, because he knows very well that if a company is formed with very large shares, and those shares are well held, it is almost certain that he has a stable company to deal with.

2047. Mr. *W. E. Forster.*] But is not the object of the promoters more generally to be attractive to the shareholders?—Certainly, where they do not require a large amount of credit; and therefore they usually have small shares if they want to float the company.

2048. The question which I wished more particularly to ask you was this: it has been suggested that the amount of unpaid capital should be allowed to be reduced in such a case as this; a company has started with shares of 50 *l.* nominal value, 10 *l.* being paid up; it is suggested that it should have power, with notice to the creditors, to reduce the unpaid capital to, say 10 *l.* or 20 *l.*, so as to have the nominal amount of the shares at 20 *l.* or 30 *l.*, instead of 50 *l.*; do you see any objection to that, due notice being given to the shareholders?—I see this very strong objection; that it will always induce companies to bring themselves out with a very large capital, which is attractive; and then they will invariably reduce it afterwards, so that the public will have the opinion that they are dealing with a company of greater stability than it really has.

2049. Do you think that it is the business of the law to arrange how a company should be more or less attractive to the shareholders?—Not in the least; on the contrary, the whole of this Act rests upon the theory of letting the public have due notice; we do not care whether they have security or not.

2050. Supposing due notice be given to all persons interested in the reduction of the shares, what objection is there to the reduction?—If you give sufficiently long notice, and take sufficient precautions, there would be very slight objections to it; but I think it would be of no use.

2051. But would there be any objections, supposing the interests of all those concerned are protected?—No; if you draw sufficiently stringent clauses; but the companies would probably not accept such clauses as I should think sufficient.

2052. You think the companies would not accept such clauses as would provide that all creditors should either be paid, or that their assent should be obtained?—I think it is not practically possible to obtain the assent of all the creditors; and with respect to the payment, they may do it now by winding up the company voluntarily; who is to show whether the assent of the creditors has been obtained, or whether they have all been paid; it would be impracticable.

2053. Upon what do you ground your statement that it would be impracticable?—Because anybody who has ever had to deal with companies knows that you can never attain the assent of the creditors for the simple reason, that probably some of them are away, some are trustees, some are minors, and so forth; and more than that,

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3183. Is there any simple method of testing the igniting points of those mineral oils generally?—Yes; I test them by heating them in a glass tube half filled, and when I get an explosive mixture in the upper part of the tube I note the temperature of the oil at the time, and that temperature I consider to be the igniting point of the vapour, the point at which the oil gives off vapour sufficiently fast to yield an explosive mixture with the air in a lamp or other vessel, the point of danger.

3184. Could you show the Committee how it is done?—I can show it very quickly and very easily. (*The Witness made the experiment.*) I will take a specimen of petroleum which I purchased myself; I will half fill this tube and then heat the oil over a spirit lamp, stirring it with a thermometer, and from time to time putting in a small flame with a match until I get a flash of light. I note the temperature of the oil at the moment the flash occurs, and that I consider the firing point.

3185. Is that one of the low firing points?—Yes, this is rather low.

3186. Mr. *Tite.*] Is that petroleum?—This is petroleum; I have no doubt of that, because of its low specific gravity.

3187. *Chairman.*] What is the temperature?—Eighty-five degrees; but if I had made the experiment more slowly, say in six or seven minutes, I should have obtained a much lower point. I usually repeat the experiment as the oil is cooling, and in that way get a check on the result.

3188. Now, the temperature in the shade last week was 84°, and that oil would have given off an explosive vapour?—Yes.

3189. Mr. *Lusk.*] Was the specific gravity of that vapour greater than that of the atmosphere?—Yes.

3190. It lies down in the bottom of the vessel?—Yes, but in time it will be diffused out into the air.

3191. *Chairman.*] Will you be so kind as to show the Committee the way in which the trade generally take the igniting point?—The specimen is usually placed in a small dish, which is then heated by a spirit lamp or otherwise; the oil is stirred by a thermometer, and from time to time a flame is dipped down to the surface of the oil, and when the liquid permanently ignites the temperature of the oil is noted, and that is considered to be the igniting point.

3192. But you think we should not be guided by the firing point of the oil but by the firing point of the vapour?—Yes.

3193. Mr. *Lusk.*] What is your objection to taking the firing point of the oil as the guide?—The temperature thus recorded is higher than the temperature at which the oil will cause an explosion in a lamp or other vessel. It is the vapour that causes explosions; I would, therefore, note the temperature at which the oil gives off vapour.

3194. *Chairman.*] I believe you said that there was a difference of 10° between the igniting point of the vapour and the igniting point of the oil?—Yes, in the case of the specimen referred to, but there is sometimes a greater difference and sometimes less.

3195. Is there anything in making those experiments that a man of ordinary intelligence, say among the police or among the Custom-house officers, could not do?—No, not if they were previously instructed.

3196. Do you think that they could arrive at sufficiently accurate results for all practical purposes?—I think so.

3197. Have you ever been called upon to examine any oils from the explosion of which deaths have occurred?—No.

3198. Your experiments are confined simply to explosions without accident to life?—Simply to explosions without accident to life.

3199. Have you seen any of the warehouses in which paraffin or petroleum is stored?—No.

3200. Your attention has been directed mainly to examining specimens taken from retail shops?—Principally to specimens taken from retail shops; oils have been placed in my hands that have been stored in the docks, but I have not taken the specimens myself.

3201. Have you found in your experience that the Petroleum Act is quite inoperative?—Quite inoperative.

3202. Can you give any reason for its being so?—I think it is mainly because the trade generally consider that the igniting point of petroleum is indicated by the experiment worked in a dish in the way I have explained. Petroleum is sold guaranteed not to ignite below 100 degrees; below that many of the oils themselves will not ignite; but the oil may give off a vapour that will ignite at a much lower temperature. A short time ago I was consulted by a shopkeeper, one of whose customers had had an explosion. I examined the oil, and I found that it gave off inflammable vapour at a temperature of 86 degrees, but when heated in an open dish it did not permanently ignite until the point reached was 103 degrees.

3203. Are you aware which of the oils are preferred by the public, whether the oils with a low firing point or a high firing point?—I do not think that the public know anything of the matter; they simply buy the cheapest oil.

3204. You say that the low burning oil is the cheapest generally?—It is always the cheapest.

3205. That is because of the large quantity of spirit that is in it, I presume?—Yes; that is a less expensive material; the public generally like an oil that is not heavy, an oil that will ascend the wick readily, and I have met with light oils that are safe.

3206. Is there any relative proportion between the specific gravity and the igniting points of the oil?—No; an oil of a very low specific gravity may have a high igniting point.

3207. We were told by one of the witnesses that having a low igniting point was having a large quantity of light spirit, and that that would reduce the specific gravity; is that your opinion?—Yes.

3208. But you say that an oil with a low specific gravity may have a high igniting point?—Yes; sometimes it may have it.

3209. How do you account for that?—I cannot account for it; I can only suppose that the oils contain distinct chemical substances. An oil such as petroleum is really a mixture of a large number of substances.

3210. Merely taking the specific gravity would be no test whatever of the safety of the oil?—None whatever.

3211. Taking paraffin and petroleum oils generally, which of the two do you find the safest?—Paraffin; I have never met with a specimen of paraffin oil having a high specific gravity which had a low firing point.

nership Act, but it might be much more convenient to do it under the Joint Stock Companies Act, and if people wished it, I see no objection to it.

2077. Mr. *Lowe.*] With regard to winding up companies, people complain of the expense of it; do you think that anything can be done in that matter?—I am afraid not; I think that the expense might almost always be avoided by not winding up the company under the Court. They have the option of voluntary winding up, or of winding up under the supervision of the Court, and unless they get into the hands of trading agents, I believe they do not usually go into the Court at all.

2078. Is there not a difficulty in a voluntary winding up, supposing a company has a capital which is only just sufficient, or not sufficient, to pay its debts?—I think that an insolvent company would, in many cases, be required to be wound up under the supervision of the Court; but the experience has usually been, that they come to some arrangement.

2079. Wherever the company is insolvent the creditors, rather than the shareholders, should have the carriage of the matter?—Undoubtedly.

2080. Can you suggest any way in which that could be done in any less expensive manner than by putting it under the Court?—It may be done by putting it under the supervision of the Court, in which instance the Court only interferes when a *Deus ex machinâ* is required.

2081. And that has worked well, like the Scotch Bankruptcy Act?—Yes; it began in the year 1857, and then it was enlarged in the Companies Act.

2082. People have complained to the Committee that a great deal of mischief is done to companies by petitions to wind them up being presented by persons for the purpose of extorting money, and not *bonâ fide;* can you give any opinion upon that?—I do not know enough about it to offer any opinion upon the subject.

2083. One shareholder can petition to wind up a company, can he not?—One shareholder can petition to wind up a company, but he must prove his debt.

2084. If that petition is presented, and stands over for some time, they say that it injures the company; can you suggest any means of obviating that?—I presume that an alteration of the rules of the Court of Chancery would be required, if it be the fact; but I am so little conversant with them now, that I could not suggest anything of any value. I should have doubted the fact as a general rule.

2085. It has been stated that that is a fact; what do you consider to be the use of the memorandum of association?—To declare the essential conditions of the company's existence, as contradistinguished from those conditions which the company may itself alter. For example, the name is the first thing which, of course, they must not alter except under very strict conditions; the next is, the part of the kingdom where they have their residence; and the next is, the general objects, and so forth. I consider that there is a very great distinction to be drawn between those things which constitute the essence of the company and which ought not to be altered, and those which may be altered to meet the exigencies of circumstances.

2086. Have you anything to suggest with regard to an alteration of the law as to the memorandum of association?—I have not considered it sufficiently to be able to give an opinion upon it.

2087. As regards the question of allowing companies to alter the denomination of their shares, and the amount of their capital, I understand you to object to an alteration of the amount of capital?—Yes.

2088. And also to an alteration of the denomination of the shares, but not so strongly as with regard to the capital?—I think that in both cases when a company has elected to put itself forward to the world in a prospectus, its capital and the amount of its shares are the very essence of the company; and that it would not be desirable to allow them to alter that essence. On the other hand, if very strong precautions are taken, so as to prevent anybody's possibly being deceived, I can imagine an Act being drawn which would prevent any fraud.

2089. Can you suggest, generally, what sort of precautions should be taken?—I think with respect to all future companies, the very least that you ought to do is to declare that, in the memorandum of association, they should state that there is power to reduce the capital to such and such an amount; and with respect to the shares, they should also put in their memorandum that there is power to reduce the shares to such and such an amount. Then with respect to past companies, I should do something of this sort: I should state that they must advertise for a long time beforehand, and that then they must prove to some tribunal (say the Board of Trade) that they had either given notice to all their creditors, and that their creditors, or the great majority of their creditors, had assented; and I should take precautions of that description, reserving, of course, the liability of the existing shareholders to pay the creditors.

2090. The Act of 1856 allowed unlimited companies to become limited under certain conditions, did it not?—Certainly.

2091. Do you consider that that is a similar case, or do you make a distinction between a limited and an unlimited company in the case of a company with larger or smaller shares?—An unlimited company when it becomes limited gets less credit, because the public trusted it in reliance on its unlimited capital; and that is the reason why banks, as a general rule, never become limited at all.

2092. Do you think that the precautions, which you thought were sufficient at that time in the change from unlimited to limited, would be sufficient in changing the capital, or the denomination of the shares?—I do not.

2093. Why not?—Existing unlimited companies, whose transactions are large and important, are very much afraid of becoming limited companies, because they are afraid their credit will be diminished; but unimportant new companies start with large shares and a large amount of capital for the purpose of attracting creditors, and investing themselves with an apparent importance; having acquired that sort of importance, I think they should not be allowed to reduce their capital.

2094. But when they reduce it they shake their credit just the same?—Not with the shareholders at all.

2095. But with the creditors?—It is a hundred to one that the creditor does not know it.

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2096. In the first place, as to existing creditors, when the change takes place what would you do to secure their interests?—I would give them a very long notice, and make the company prove to the Board of Trade that they had given sufficient notice. I am sorry to say that I am rather unprepared to go into all these points, because I really have not been able to think over the subject recently, and was not aware of the points on which I should be examined.

2097. The existing creditors will be protected by preserving the liability? — The existing creditors will be protected in that way.

2098. Would you do that in this case?—I think that you must preserve the liability, if you reduce the shares, as a matter of course.

2099. They might be supposed to be giving credit on the old constitution; how would you protect them from that?—The shares get into other hands, and it is almost impossible, I should think, to trace them when you have to go back to a former list of shareholders.

2100. Would there be the same difficulty in an unlimited company?—Its becoming a limited company is a very solemn act. They hand in the names of all their shareholders, and the registrar has them.

2101. Mr. Alderman *Salomons.*] Does not this seem to be the objection, that the company starts with a large capital, and gets the reputation for a large capital, and that if you made it very easy to reduce the capital, they would then, having got a sort of prestige, reduce their capital one-half and so reduce their prestige?—That is my objection; that they come forth a different being from what they intend to be eventually; that they come forth with large shares and with a large capital; and for this reason, they are supposed to be stable, and then they suddenly become another being and reduce themselves.

2102. You cannot say that they shall not do it, but should it be very easy?—I should fetter it in every possible way.

2103. Mr. *Lowe.*] What provision would you make with respect to debts contracted soon after the change?—I would give notices; but the real truth is that nobody attends to those notices, give them how they will.

2104. With regard to transferable debts, like debentures, and so on, what would you do in such a case as that?—I do not know anything that you can do, except you get the consent of the creditors, or pay them off.

2105. Then if the debenture was to stand for a particular period it would be a breach of the contract to pay it off, would it not?—In that case they could not do it. I can imagine hundreds of cases where it would be impracticable.

2106. Do you think that any tribunal could be entrusted with the power of deciding such questions?—Not practically, because if you had anything like a large concern it would be impossible to prove that the creditors all knew of it, or all consented, or were all paid.

2107. Upon the whole I gather that your opinion is against it?—Certainly.

2108. But that the difficulties could be very much reduced by a carefully drawn Bill?—Certainly, they might be greatly reduced.

2109. Mr. Alderman *Salomons.*] Do you not think that the principle which I believe is now adopted with regard to railways, upon which, very shortly after an Act has been granted, a meeting of the company is called, it would be a desirable one to adopt with regard to all companies?—I think that no doubt it would be desirable to call an early meeting, but I believe that in 99 cases out of 100 they do it.

2110. But would you think that it should be a law with regard to companies?—There would be no objection if it were thought to be of any value to make a law requiring a meeting to be held within six months.

2111. I think that, with regard to a railway, a meeting must be called within three months after the Act is granted; do you not think that a provision of that kind would meet a great number of the complaints which have been made with regard to the working of the Limited Liability laws, if the directors and shareholders were brought together at a public meeting, and explanations were given as to the mode of their business, or as to their articles, if they required explanation?—It would be a very good thing, but I do not believe that it would be in the slightest degree a panacea for the evils which are complained of, but I believe that in any honest company they do it.

2112. Do you not think that that would be a desirable amendment of the law?—My opinion is that no law would make people honest; but there would be no objection to simply stating that they should hold a meeting within three months after the constitution of the company.

2113. Do you not think that it might meet a great many of the difficulties, with regard to the constitution of limited liability companies, if the directors and shareholders were brought together, so that if a man has any objection to make he can make it, and any argument may be put forth, and some resolution taken upon it; do you not think that it is almost more imperative with regard to those trading companies that an early meeting should take place between the shareholders and directors (as I believe is the French system), than in the case of a railway, where it is compulsory by law?—I think that it would be very desirable that the directors should call their shareholders together and give them the fullest possible information. The honourable Member is directing his mind simply to large companies, but there are a number of little companies which do a great deal of good and which consist of only some 20 people, and it would be absurd to make them do any of those things as a matter of necessity.

2114. I have neither in my eye large companies nor small companies. I am only asking whether, when we are framing a law relating to companies, that arrangement would not have a tendency to get rid of many of the difficulties which we have seen, and much of the litigation which has been produced from the events of the last two years?—I think it would be very desirable that they should hold an early meeting; but if you ask my opinion whether it would prevent the litigation which has taken place, I do not think it would. I think that you attribute too much to simply holding a meeting. If the company goes on prosperously, it is ten to one that they will not get a quorum.

2115. That will not be their fault; but take the cases in which something has been done which the parties thought was not within the powers, or in which, perhaps, some money has been taken for promotion, money which the shareholders said that they were not aware of, and matters of that kind, which are constantly raised

raised in issues before the Court, would it not be desirable that Parliament, in any improvement of the Act for limited liability companies, should make provision that an early meeting should take place in those companies shortly after their constitution, in the same way as is ordered by Parliament in the case of railway companies?—Undoubtedly there would be no objection to making them have an early meeting.

2116. Mr. *Lowe.*] How would you make them meet?—Any very special legislation on such points, a *brutum fulmen*; the shareholders will not come, and will not attend to their own business. If you ask me whether I should object to a clause declaring that a general meeting of the company should be held three months after they are registered, I should not object at all, but I do not think that such a provision would be of much value.

2117. *Chairman.*] It would help the shareholders to inform themselves of what is going on, would it not?—True, but if they are dissatisfied with the promotion money, or things of that kind, they have power to make the directors call a general meeting.

2118. It might be concealed from them for twelve months, might it not, as the law now stands?—Of course, but the holding of a general meeting would not make them honest.

2119. Mr. *W. E. Forster.*] Do I rightly understand that you see objections to the power given in the present Act, by which unlimited companies can turn themselves into limited companies?—Not in the least degree; but they very seldom do so, I believe.

2120. Then if you do not object to the power given in the present Act by which unlimited companies can turn themselves into limited companies, thereby very much diminishing the liability of the shareholders, why do you object to power being given to a limited company to reduce the liability of the shareholders?—At the time when the Act was brought in there were a good many companies which would have been established as limited companies if they could. It was obviously unjust, when we were allowing every fresh company to be formed under limited liability, not to give the old companies formed under the old law the chance of coming in; but when a company can come in as a limited company, in any form or shape it likes, it seems to me a different case. They have had the opportunity, and they did not avail themselves of it.

2121. Is it not the case that, at present, there are a large number of unlimited companies which, all of them, have the power to become limited companies under the present Act?—No doubt.

2122. You do not think that the same principle which applies to those companies would apply to a limited company, reducing the liability of its shareholders?—What I mean is this: when an Act is passed which introduces a new principle of limited liability, there is very good reason for allowing associations under unlimited liability to come in and avail themselves of limited liability; but when the Act is passed, and people may associate themselves in any fashion they like, so that they conform to the simplest possible rule, I do not see the use of extending that rule by allowing them at first to have their shares of very great magnitude, and then afterwards to diminish them.

2123. Are you aware that the present Act enables a company to be formed upon the principle of unlimited liability, and afterwards to be turned into a limited company?—That is not my impression; if so, I think that it is a blunder, but I am not aware that it does; it enabled companies coming in and registering as unlimited companies to alter their constitution, and the reason for that was, that we forced them to come in in such a hurry that they had not time to elect, whether they would or would not turn into limited companies. I think that the old 1848 companies are allowed to do it.

2124. Mr. *Lowe.*] Those clauses are not in the Act of 1862 at all, are they?—No, they have expired.

2125. Mr. *Goschen.*] I think that the honourable Member for Bradford means this: in what respect would it be more difficult than it is at the present moment to deal with the creditors when an unlimited company is formed into a limited company, than under the present proposition, that a limited company should become still more limited; it is not as regards the policy of allowing it, but as regards the liability of the company, and as regards the creditors, if an unlimited company now has long debentures out, and changes itself into a limited company, it would create the same difficulty, would it not, as if you had a limited company with capital of a million, which reduced itself to 500,000 *l.* because you interfere with the position of the creditors?—I do not wish to extend the policy of allowing the companies to change; that is my meaning.

2126. *Chairman.*] Does not the volume of the business change continually?—Yes; but then the volume of business ought to increase if it is a prosperous company, and then they have power to increase their capital.

2127. Mr. Alderman *Salomons.*] I suppose that limited companies which have debentures out, could not really alter their denomination and lower their securities, without the consent of those persons who are holding the debentures?—I think they ought not to do so.

2128. Lord *Frederick Cavendish.*] Would you see any objection in the case of a company which found its capital larger than it required to carry on its business, owing to a change of circumstances, being allowed to reduce its capital, due notice being given?—It really comes back to the same question; I may be wrong, but I think it would be very unadvisable to facilitate the alteration of the denomination of the shares after the company is once registered; but I can imagine precautions being taken and clauses being drawn which would prevent any damage resulting.

2129. Take the case of a company formed to carry on two or three kinds of business, such as say mining and working up materials, and in which, owing to a change of circumstances they gave up either part of their objects; would there be any objection under those circumstances to their reducing their capital?—I am afraid I can only give the same answer, that, subject to taking proper precautions, you might so manipulate it as not to be objectionable.

2130. Mr. *W. E. Forster.*] Will you be kind enough to furnish the Committee with your opinion as to the powers given by the Act of 1856 to an unlimited company, to turn itself into a limited company; and also to inform them whether the Act of 1862 has or has not taken away such power, or modified its operation?—The question cannot be answered without considera-

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ble detail. The Act of 1856 (19 & 20 Vict. c. 47), does not apply to banking or insurance companies, or to companies formed on the mutual principle, or, in other words, not having a capital divided into shares. With the exception of those companies, any unlimited company formed before the passing of the Act, consisting of seven or more shareholders, may turn itself into a limited company, with the assent of three-fourths in number and value of its shareholders. The Banking Act of 1857 (20 & 21 Vict. c. 49) does not allow the registration of banking companies with limited liability; but the Act of 1858 (21 & 22 Vict. c. 91) allows any unlimited joint stock banking company, formed before the passing of the Act of 1857, or registered under that Act, to register for the purpose of turning itself into a limited company. The limit of liability does not extend to the issue of notes, or to any customer who has not received notice of the intention to register. The Act of 1862 (25 & 26 Vict. c. 89), extends to insurance companies, and also to companies formed on the mutual principle, and (sections 179 and 180), allows any existing or future unlimited company, except a company formed under the Act of 1862, to turn itself into a limited company. The consent of three-fourths of the members must be obtained, and in the case of banking companies, notice must be given to the customers as under the Act of 1857, and the limit of liability does not extend to the issue of notes. The result then is, that the Act of 1862 extends to all companies, both present and future, except companies formed under the Act of 1862, the privilege of changing their liability from unlimited to limited.

2131. Mr. Alderman *Salomons.*] At the time when one of the Acts was under discussion in the House, I ventured to express an opinion, which I did, as I thought, upon your authority, to the effect that the law has been altered with regard to unlimited companies, and that the liability of all shareholders is now limited to one year, and that the liability of a shareholder for three years has been entirely repealed by the Act of 1862; is that so?—I probably stated that with respect to companies formed under the Acts of 1856, 1857, or 1862; the last mentioned Act declared that no past member should be liable if he had ceased to be a member for one year prior to the winding up (ss. 89, 176); whereas under the Act of 1856 a past member of an unlimited company was liable for three years, while a member of a limited company was liable for one year only. None of the above Acts alter the period of the liability of any members of an unlimited company which is not registered under them, and as respects a subsisting company registering under the Act of 1862, that Act maintains the liability of the members in respect of debts contracted before registration.

2132. Mr. *W. E. Forster.*] I understand that your objection to giving the power to companies to reduce their liability is very much grounded on your belief that companies would be formed upon one principle, to attract business, and would then be changed into another form; would, therefore, your objection apply to giving power to companies now existing, to reduce themselves, but not to giving it in the future?—Yes; because I am perfectly certain that you could not stand upon the ground to give it to existing companies (if you mean by that the companies registered under the Act of 1862), and yet deny it to future companies.

2133. Would there not be this analogy, that it would be following the example of the power which you state was given to unlimited companies at the time, and which was taken away?—I think not; I think there is the broadest possible distinction. The unlimited companies when formed had no chance of being limited; Parliament conferred that boon by the Act of 1856, and then it was but right and just to allow the pre-existing companies to come in when the Act of 1856 was passed. Every set of men who, desirous of associating under the new Acts knew, very well the terms upon which they could associate, and knew that they might have great or little shares, but that they could not alter them when they were once fixed. I do not think there is any analogy between the two cases, but I can only repeat that you might, I think, draw an Act from which no great mischief would follow.

2134. But at the time the unlimited companies were formed, the shareholders knew that they could only associate under the conditions of the Unlimited Liability Act? — When the Act of 1856 was passed there was a number of companies which had been formed under unlimited liability because they could not get a charter, or could not get incorporated by Act of Parliament. That Act immediately allowed a new set of associations to be formed with the coveted good (if good it be) of limited liability. It seems to me that it would have been unjust not to have allowed the other companies to come in, but I can see no injustice when people have due notice that they might acquire limited liability in any shape or form they liked, but that they must elect to take such form of capital and such form of shares as they intended to abide by in making them adhere to that form.

2135. Mr. *Goschen.*] Is it a question of justice at all?—It is simply a question of public notice.

2136. Is it not a question of whether it is advisable if a company has an excess of capital which it cannot employ profitably, it should be permitted to reduce it?—It is a question of policy.

2137. Mr. Alderman *Salomons.*] Is it capital or nominal capital?—If the company has 1,000*l.* shares, and only 100*l.* paid up, there is a very large sum to be called up, and of course that gives greater security to the creditor. It is a much greater security if they are held by rich men.

2138. It appears that the rich men do not like the principle of limited liability?—It would be a very wide argument to go into the reasons for the Limited Liability Act.

The Honourable EDWARD CECIL CURZON, called in; and further Examined.

Hon. *E.C. Curzon.*

30 April 1867.

2139. *Chairman.*] THE Committee wish to know whether there is anything you desire to add to your evidence?—In addition to what I stated in reply to Query 83, I would suggest that it might be advisable to make section 210 of the Act 1862 applicable to all defaulters also. I do not know whether I understood your wishes correctly, but I have gone through all this evidence, and I have noted points upon it which seemed to me not to be strictly correct, and which might perhaps mislead the Committee. The first point in question is No. 302, which refers to the diminution of capital of unlimited companies. It is stated that there is a power in the Act of 1857 to do so, but that is not the case. There is no power in any of the Acts to reduce capital. In the case of unlimited companies and guaranteed companies the capital is merely an arrangement between themselves, and is not contained in the memorandum, but is contained in the articles, so that they can do as they like.

2140. So that in those cases they can do as they like, but in the case of a company limited by shares they cannot?—They cannot; it is also asserted here that in the Act of 1856 there is power to a limited company to reduce its capital, but it is not so. Then there is the point of the prospectus. I venture to suggest, that if anything is done about the prospectus, it should be stated what the prospectus is to contain. I have noted the heads, and if the Committee desire it, I will read them: "The prospectus should state, 1st. The nature of the proposed company, and the amount of capital. 2nd. The number of shares, and the amount of each. 3rd. The amount of deposit to be paid upon application. 4th. The amount to be paid upon allotment. 5th. The amount proposed to be called up, and the interval between each call. 6th. The names, addresses, and descriptions of the directors and officers. 7th. The object intended to be carried out, carefully avoiding any exaggeration or misrepresentation of the facts." The prospectus must be delusive if it is attempted to embody in it an analysis of the articles, as these can be altered.

2141. *Chairman.*] What is the next point to which you wish to refer?—A question was raised as to banks, which I think has been touched upon before. By section 188, of the Act 1862, the 30 days' notice is given to creditors. This is not suggested as being desirable in other cases, but it probably would be so. Then there is the question of the paid-up shares being made transferable from hand to hand.

2142. Payable *au porteur?*—Yes; it frequently happens, and it has happened that they have considered their shares to be paid up when they really have not been so; and great difficulty might arise in that case.

2143. They have written them up instead of having paid them up?—They have written them up instead of having paid them up. In answer to Question 596, it is stated that there are no guaranteed companies, but there are a good many, and at the time of the cattle plague, a great many came in, and were found to be exceedingly useful; the Committee might have supposed from what has been stated here, that there were not any such companies, and that they were not useful, but they are very useful.

2144. Can you state how many guaranteed companies there are?—Twenty-four; it is stated below, as to guarantee companies, that they must have one share; but that is not the case; it is not necessary that they should have any shares, and they frequently have not; then there is a question of the honourable Chairman's, No. 832, at which it is asked, "Is there anything in the Act of 1862 enabling a limited company, under that Act, to fix a period for its own dissolution?" and the answer is "Nothing;" but the fact is, that there is such a power under the 129th section, paragraph 1. That section gives them a power to dissolve on any event happening on which they have stated in their articles that they may dissolve.

2145. Could they put in an article to the effect that if the company lasted for ten years, or five years, or any period of time, it should then dissolve by lapse of time?—That would be an extreme case, but they might put it in that they should do so when they had performed certain duties. The Committee will see that the information which they got there would be diametrically opposite to the fact. Then I come to Question 1184, and two or three subsequent ones, suggestive of the capabilities of the registrar to settle the articles. I was not present when the question was asked, but it would be very necessary to define what you were to settle. If it is simply to settle the draft, as a counsel would settle the draft of a deed from instructions, that is simple enough; but if, as has been suggested, you were to decide whether those articles were fit and proper articles, technically, to carry out the objects of the company, I do not think that it would be competent to anybody to do it.

2146. Do you think that that would be out of the power of the registrar?—It is out of the power of anybody, because, supposing that the company were for working a patent for some chemical process, you must be a chemist, or if it were for engineering purposes you must be an engineer. You would have to get an assessor to sit by you in every single case, so that practically it would be impossible. On Question 1541, as to whether it was possible to find out the amount held by directors and promoters? The statement is, that you can, but there is no means of doing so, because it is not in the articles as a rule; therefore that statement is incorrect. Next the answers to Question 1664, and to the half-dozen subsequent questions, are all wrong. The witness says, that there are two stages of incorporation, provisional and complete; that was under the old Act, which is repealed; it is not so now. The memorandum and the articles are invariably registered at the same time, and instead of a small fee being payable, it is generally a large one.

2147. A fee to whom?—A fee to the office for the registration of the company. It is stated that "the registration of the memorandum, and the registration of the articles, are not necessarily, or usually contemporaneous." That is not so; they are always contemporaneous. If they do not bring articles of their own, they

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are bound to take the articles of the Act. Then the witness is asked, "Then after the company is incorporated, it settles its articles of association?" and he says "Yes;" but the answer should have been "No." There is a question also as to articles being altered after they are signed. I do not know how anybody can get at a point of that sort, unless it is meant that they are altered by special resolution after they have been signed, but I have known a case where a whole sheet has been taken out and reprinted, after it had been signed. That is a positive fraud, but the question probably alludes to power to alter the articles afterwards by special resolution.

2148. Mr. *Morrison.*] Do you receive the articles of association in manuscript?—No, they are obliged to be printed, and a printed copy is registered.

249 That is kept in your custody?—Yes, in the office; a sheet cannot be taken out after I have got it; but between the time that it had been signed, and the time that it had reached my office, it had been taken out and reprinted. It is stated, Query 1946, that the promoters, or the seven signatories are in fact the directors under the Act, but they are not the directors except by the articles. The form of the articles generally makes them so, but very often they are not so at all, so that until they have had a meeting there are no directors. I think that the clauses, sometimes in articles, making the seven signatories directors till others are appointed, *i. e.* clauses 52, 53, 54, of Table A., ought to be put into the body of the Act, instead of being permissive only, as now, by articles.

2150. *Chairman.*] But until they have had a meeting, they are the only executive body, are they not?—Until they have had a meeting they are the only executive body; but they can do nothing; they cannot act as directors, they have no power. Then, in answer to Question 1782, it is suggested that the accounts are registered, but they are not registered, and I think that it would be very advantageous that they should be; they used to be registered under the old law, but they were so often found to be cooked, that you could not get much out of them.

2151. What do you mean by the old law?—The Act previous to that of 1856, the first Act; but still they are very often applied for, and I think that some benefit would accrue if they were again registered. There is a suggestion as to sending those lists to the people who take shares; I would venture to suggest that it would be a matter of considerable difficulty, because how are the shareholders who buy shares in the market to obtain those lists? They could not be sent to them, so that it would only be a one-sided alteration after all, and it would be a very considerable expense. I think I ought to call the attention of the Committee to a point which was a good deal pressed upon me when I was here before, with regard to the judicial power, as it is termed, or the discretionary power which I have exercised with regard to the memorandum, that is to say, excluding what I considered the law did not allow; I have copied out a clause which was brought to me the other day, and which I refused, and which would show very fully the objectionable point which is usually attempted to be put in, giving them power to do anything on earth they like in fact, instead of clearly and distinctly stating the objects of the company.

2152. Did you refuse to register that company on account of that clause?—I refused to register on account of that clause; the clause is as follows: "Doing all other things with reference to the estate and the company's business, and whether of the same or different sorts, which the company from time to time think incidental or conducive to the attainment of any of those objects, or otherwise likely to be to their advantage." I have repeatedly refused to register such clauses; and I may mention another also refused, being a clearer case of attempt to evade the Act; it was, "The carrying on of such other businesses as may from time to time be determined on by a special general meeting of the company." When I sent in this list of documents which had to be filed, I made this remark, that some of them were not required by the Act to be recorded; and it is very necessary in any Act which may be brought in, to take care that they are to be recorded, because the question has been raised as to the right to ask fees for documents which are not authorised by the Act to be recorded.

2153. Mr. *Morrison.*] You propose that there should be settled heads in each prospectus; but how could the promoters of the company, before issuing their prospectus, and ascertaining how far the public is likely to take up the enterprise, state such points as the names of the directors, and the amount of shares held by them, and so in?—I would not allow the prospectus to be issued until the company was formed.

2154. Then how can the company be formed without issuing a prospectus about it?—As a rule, prospectuses are issued after the formation of the company, and for this reason, that if it is likely to be a good company, and gets its name into the papers, somebody else comes and registers first, and keeps it out of the market; consequently it is rather an unusual thing to issue a prospectus before a company is formed.

Tuesday, 7th May 1867.

MEMBERS PRESENT:

Mr. Alderman Salomons.
Mr. Brett.
Mr. Stephen Cave.
Lord Frederick Cavendish.
Mr. Finlay.
Mr. W. E. Forster.
Mr. Goschen.
Mr. Graves.
Mr. Lowe.
Sir Graham Montgomery.
Mr. Morrison.
Mr. Watkin.

EDWARD WILLIAM WATKIN, Esq., in the Chair.

MATTHEW HUTTON CHAYTOR, Esq., called in; and Examined.

M. H. Chaytor, Esq.

7 May 1867.

2155. *Chairman.*] THE Vice-President of the Board of Trade was anxious that you should have an opportunity of giving evidence, as you desire it, before the Committee; I may mention that, generally speaking, we have closed the case, but the Committee will be happy to hear any suggestion which you have to make with reference to the amendment of the Limited Liability Act; you are the vice-chairman of the National Discount Company, and of the London Bank of Mexico, and chairman of the Alliance Bank, are you not?—Yes.

2156. I think also that you have been liquidator of the Joint Stock Discount Company by order of the Court?—I am the creditors' representative.

2157. And of the Oriental Commercial Bank, also under the supervision of the Court?—Yes.

2158. I believe that you are of opinion that, in the formation of limited companies, the promoter or promoters should register a memorandum of association?—Yes. I am of opinion that in the formation of companies too little care is taken at the outset, and many of the evils which occur afterwards arise from not starting them properly.

2159. Can you offer any suggestion as to what, in your opinion, the memorandum of association should contain?—The articles of association, I think, should not be required to be signed by seven men. It is in reality inoperative. You can get seven men of any kind you like to sign them; and I think that the real inception of the company ought to begin at a further stage.

2160. The Committee desire me to state that, having gone over very carefully the very elaborate proof which you have been good enough to give them, they find that a good deal of the matter which you have suggested, has been already before them; and, therefore, I will simply ask you to explain, generally, the specific alterations of the Act which you consider would be amendments; the Committee do not wish, of course, to confine you within any limits but your own; but to save your time, as well as that of the Committee, they wish me to mention that fact to you?—It would be a difficult thing for me to do so. I am unfortunately not a lawyer, and I can only give evidence upon such parts of the working of the Act as have come within my own knowledge. In order to say what alterations in the Act would be required, it would be necessary that I should know it thoroughly, which I do not profess to do. I think that nearly everything which I have put down in my proof, are alterations from the existing practice.

2161. Then would you prefer, in order to save the time of the Committee and your own, to hand in this proof as your suggestions?—I have no objection to hand it in (*handing in the same*, vide *Appendix*); but there are certain points there which it appears to me would require explanation.

2162. Will you kindly explain the particular points which you think require comment?—I will observe first of all that, in the regulations for the establishment of companies, I require much more stringent provisions to be observed than are observed under the present Act. I propose that the seven promoters should be abolished; that any person, in fact, who wished to establish a company should have the power of doing so; but, in order to do so, he must go through certain formulæ, which, according to my experience, are necessary, in order to avoid the immense amount of litigation to which the absence of them has already given rise. For instance, I should take care specially that the company should be formally established before the company should have power to proceed to business at all. I propose also that the articles of association should be considered and determined by the shareholders before the company is entitled to commence business. It is not always done within my knowledge. I would provide also that the whole of the shares should be applied for and allotted, which I consider a very important question, because I know many companies which have been wrecked from commencing business without adequate capital. I consider that every promoter of a company who is really in earnest, and who is not getting it up simply for a Stock Exchange speculation, in order to deal in the shares, should have considered carefully, beforehand, what amount of capital is really required, and that amount ought to be forthcoming. I may instance several hotel companies, and one at Richmond especially which has failed, simply because the capital was not sufficient to carry out the object proposed.

2163. Then you would not allow them to issue less than 100 per cent. of the shares, which they propose to issue?—The shares should all be subscribed for and allotted, and at least 25 per cent. should be paid up. The Continental Gas and Water Company, for instance, was got up

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for a very legitimate object; the promoters applied to a private financial company to place the shares, and they did so, with men of straw. They nominally raised the capital, but when the directors came to make calls upon the shares, after having incurred considerable expenses, there was a necessity of winding up, because the shareholders could not pay the calls. Therefore I should take care that, at least, a certain portion of the capital was paid up at the outset, in order to test the *bona fides* of the promoters. The Committee will see also it is proposed that the articles of association should be fixed and agreed upon, before the company is allowed to commence operations; I do not know that that requires any comment, but it is not always done so in practice at present. I should say that there ought to be a distinction made between companies carried on merely for monetary operations and those carried on for working mines, or building hotels, or carrying on industrial works. The conditions are not the same, and the same rules do not apply in all cases.

2164. Will you explain what is the distinction which you draw in your mind, between those two classes of companies?—Principally as regards the borrowing power. If you limit the borrowing powers of a bank you destroy it; I may say that, if the borrowing powers of the Bank of England were limited to one third of its paid-up capital, which is generally the fancied amount, of course you destroy all possibility of profit, and the Bank would be inoperative and useless; but in companies, such as shipping companies and mining companies, there is no reason why there should be any borrowing powers at all. If a sufficient capital was originally raised for the purpose, and without which the company ought not to be formed, there ought to be no necessity for borrowing powers at all, or at any rate they ought to be very much limited, because it frequently happens that the parties who lend under the borrowing powers of the company, absorb the whole value of the property, and exclude the trade creditors altogether when failure occurs.

2165. Mr. *Goschen.*] Would you give them power to raise more capital?—I would give them power to raise as much capital as they liked, but that might be done by a fresh issue of shares.

2166. Because if you did not give one or the other they might be in a difficulty as to finding any capital at all in case of any unforeseen accident?—If they could not find sufficient capital to carry on the business, the company ought to cease.

2167. If there were any accident which swept away a portion of their capital, it might be perfectly legitimate either to raise the capital or to borrow the required sum until the necessary means were taken; would you make it obligatory that they should suspend under such circumstances?—If they were to lose a portion of their capital in the ordinary course of business, it would be rather hard to say that they should suspend on that account; but the borrowing powers to which I allude are specially such borrowing powers as are exercised by railway companies, shipping companies, hotel companies, and the like.

2168. If you had an hotel which was three-quarters built, and you found you wanted one-fourth more money, how would you supply it?—That ought to have been considered beforehand. The capital ought to be raised before you commence.

2169. *Chairman.*] But the cost of labour, or of materials, or of both, might become dearer, might it not?—I should raise it, in that case, by an issue of preference capital. I think that where insufficient capital is subscribed, the shareholders should suffer for their rashness, and not the ordinary creditors of a company, that is hardly fair.

2170. Mr. *Goschen.*] You would not allow an hotel company, which had spent its capital, and had to finish a certain portion of the premises, to mortgage the hotel for the balance which they required?—I should limit that power very much.

2171. Mr. Alderman *Salomons.*] You would limit the power of borrowing of the corpus of the company?—Yes. Then I propose that in the carrying on of companies, no power should be given to alter the memorandum of association, so far as the objects of the company are concerned. That is the case in the present Act, but I do propose to alter the memorandum so far as regards giving companies power to reduce their capital. I have found in my own experience great inconvenience arise from the want of that power. I at one time belonged to a shipping company. During the Crimean war we accumulated an unnecessary amount of capital, in the shape of a fund for deterioration of the property, a wear and tear fund; but after the war ceased, it was not desirable to invest this in fresh ships. In fact all our ships were in existence, and in good working order. The money was an encumbrance, and we, perhaps, did what was not altogether legal, but we took the bull by the horns, and distributed a part amongst the shareholders as reduction of capital. We should have had to pay interest, if we had retained it, upon a much larger capital than our operations required. I can also imagine a case of a banking company to carry on business abroad, say in China or Hindostan, or New Zealand, or any other place. The company might desire to give up one of those branches, and it might be left with more capital than it required for the rest.

2172. Mr. *Goschen.*] Then you hold that if a company makes a mistake in taking too little capital, you ought not to give facilities for extending it, but that if it has too much, you ought to give facilities for reducing it?—Certainly. It is done at present in a roundabout way.

2173. *Chairman.*] By liquidation, in point of fact?—By liquidation.

2174. Which, under some circumstances, would be impossible, would it not?—In a bank, for instance, it would be almost impossible.

2175. Mr. *Goschen.*] Do you know any case of a bank in which that has been done?—Yes, the Metropolitan Bank succeeded in doing it.

2176. But it affected the business of the bank very considerably, did it not?—I cannot tell what effect it has had upon their business; they have never published a report since. They and the Bank of England are the only two banks I know of that are *bonâ fide* limited liability companies with the whole of their capital paid up.

2177. Mr. Alderman *Salomons.*] As far as I understand what you state in regard to your shipping company, you actually gave back a part of the paid-up capital; you did not reduce the nominal capital?—We reduced the shares, in fact, from a paid-up value of 25 *l.* to 16 *l.*

2178. Was that a real or a nominal reduction?—It

—It was a real reduction; we paid back the money absolutely.

2179. But that was a different thing from what the Metropolitan Bank has done; they have not given back any money, but only reduced the nominal amount of their shares; is not that so?—That is so.

2180. *Chairman.*] In point of fact, it was not a reduction of capital, but it was rather an extinction of capital, by paying people off?—Yes, but you have no power by the present Act to do that.

2181. Would you recommend that power should be given to reduce the nominal amount of capital by resolution, upon the ground that in banks and similar cases it is almost impossible to do it by liquidation, and that in other cases it is very expensive?—That is so.

2182. Mr. Alderman *Salomons.*] With regard to banks, have not the City Bank and other banks, under the present laws, altered the denomination of their capital from a larger to a lower denomination?—The City Bank, I think, or the Bank of London (I forget which) altered the denomination of their shares from a larger to a lower amount, but they are not under the operation of the Limited Liability Act.

2183. Did they reduce their capital or not?—They did not reduce their capital, they reduced the nominal value of their shares; but that was not done under the Limited Liability Act; they were not carried on under it. Of course, in the reduction of capital I propose that the rights of the existing creditors should be preserved, and that the public should have due notice.

2184. Will you tell us how?—The rights of creditors should be preserved until they voluntarily alter them, either till they cease to be creditors, or until they make some arrangement with the company which proposes to reduce its liability, that the shareholders shall continue liable till those consents were obtained.

2185. *Chairman.*] Do you mean until they are either paid off, or until they have assented, or until in some way their debts are amply provided for?—Certainly. I propose also that power should be given in the articles of association by special resolution to alter the nominal value of the shares. It is a matter which is of no concern to the public; but the shareholders themselves may see that, for the purposes of the company, a larger or a smaller nominal value may be better.

2186. It being a matter in which the public have no concern, and, in point of fact, a domestic arrangement?—Certainly. I propose also (with Mr. Church) that shares should be transferred in duplicate. My experience in liquidation has been, that more litigation has arisen out of the want of a proper transfer of shares than almost from any other cause; the present practice is, that one deed of transfer is signed, and is handed to the purchaser, and it is optional with him whether he shall go and register it or not. Frequently it has happened that, when a company has failed and come under liquidation, the transfer has not been sent in for registration, and it immediately causes a dispute between the company and its creditors, as well as between the company and its shareholders.

2187. And it also causes, I suppose, a great deal of delay in liquidation?—Yes; in the Joint Stock Discount Company about one-fifth of the shares from causes of this kind are not yet fixed upon the register, and that company has been in liquidation for about 12 months.

2188. Do you mean that, because persons who bought shares at a particular time have not registered them, disputes have arisen between the buyers and the sellers; and that, therefore, one fifth of those who ought to be registered, are not registered?—I did not say from that cause altogether; but there are disputes between the creditors and the shareholders of the company affecting one fifth of the share capital.

2189. Then your cure for that would be to enable the seller to demand from the buyer a duplicate of the transfer; and to enable the seller, if he sees fit, to register his transfer, provided the transfer of the buyer is not registered, within, I suppose, some given limited time?—The position in which the seller would place himself, if he did not get it transferred, should be that he, as regards the company, should be absolutely the holder of the share; and if a dispute arose, it should be between him and the buyer only.

2190. Mr. *Goschen.*] But at present, with the transfer of any particular shares, certificates are also delivered, are they not?—They are generally sent in for inspection by the clerk who has the register under his care, but not necessarily.

2191. Some companies refuse to make the transfer, do they not, unless with the share certificates?—That is only a regulation of the companies themselves, and is not provided for in the Act in any way.

2192. But the companies insist upon it in many cases, do they not?—Yes.

2193. Then would not the difficulty arise, that those share certificates would be in the hand of the purchaser, and that the seller would not be able to produce them; the seller, when he sells, gives away the share certificates, does he not?—Yes, but I do not see why there should be any difficulty in that, as regards the seller, because the natural course would be for him to part with those certificates to the buyer, and he could not be in possession of them.

2194. Then does not that raise a difficulty in the registration by the seller, the seller cannot register?—That is a regulation between the shareholders and the company. It is not in the law at all. There is no necessity by law for you to produce your certificates.

2195. But the law might be inoperative as regards the duplicate transfer, unless that duplicate transfer was enough to compel a company to register without the share certificates?—I am merely speaking of the alterations required in the present law. I do not profess to lay down precisely what should be done in any legal matter of that sort, but I do not see any insuperable difficulty in it myself.

2196. Mr. Alderman *Salomons.*] What do you do with the third party to the affair, viz., the directors, who ought to see that the shares are sold by one solvent man to another solvent man?—The persons who are on the register should be retained when the transferee is objected to by the directors. I think that the case put by the right honourable Member for the City is not likely to raise a question except in liquidation. If the transfer has been sent in previously, and is not objected to by the directors, it should fix the transferee.

2197. Mr. *Goschen.*] I am thinking of the case of the directors objecting to the transfer?—I propose

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propose that the directors should have power to reject the transfer, subject to an application by summons before a court of equity on the part of the person whose transfer is refused. I think it would be reasonable that the directors should have the power of refusing, inasmuch as they may be admitting into partnership a man who may not be able to pay his calls.

2198. But supposing that a seller finds that his purchaser does not register, and he goes to the company and says: "Will you register this transfer? I have this duplicate transfer." And the directors say to him: "No; you must pro duce the share certificates." He says: "I have given them already to the purchaser." Then he still seems to me to be in the hands of the purchaser?—If you require the production by any one party of the transfer deed, I do not see anything in it. In fact, many directors say that the issuing of certificates is mere surplusage.

2199. The share certificate is merely a receipt in the hands of the shareholder as against the company, is it not?—It is of no value whatever as a legal document. A man has a right to have one, and it is something to look at, but he cannot raise money upon it. The deed is really the valid instrument, and not the certificate.

2200. *Chairman.*] But so long as it is the practice to have these certificates (which is the point to which the right honourable Member's question is addressed), or a paper which is taken to be an acknowledgment that a person is the owner of a certain property, how do you propose to deal with the case in which there are duplicate transfers, in which the directors find themselves under a request to register the certificates of transfer without those certificates being issued?—I say that the man who is already on the register must be a man who is known to the company, and if he sends a transfer of registration from himself, it ought to be sufficient for the company.

2201. Mr. *Goschen.*] But the company may say this: "We want to keep you on;" a share is sometimes not a valuable thing, but a thing that a man would be glad to get rid of?—That has no reference to the certificates.

2202. Might they not say: "You must produce the whole of your title, or pay up; you are only wishing to clear yourself of your liability"?—But I maintain that the certificates are no portion of his title. They are required to be produced merely to see that there is no fraud or tampering with them, but they are really of no actual value.

2203. *Chairman.*] Will you proceed to the next point to which you wish to refer?—I have touched upon the power of the directors to reduce the shares. I take it that the shareholders, as between each other, are deserving of some little protection; and that where shares are to be transferred to men of straw, they should have the power, at any rate, of having the question decided by a court.

2204. You think that there should be a discretion somewhere, and that the directors are the proper people to have it?—Yes. The next point upon which I make a difference, and which I have not seen touched upon in the evidence, is, that every shareholder should be absolutely liable upon each share which is in his name until three months after the transfer. At present the law is, that a shareholder is liable for 12 months after; provided, first of all, that the other shareholders are exhausted, and provided also, that he is not to be made liable for any business commenced after he has ceased to be a shareholder. In operation that is totally and entirely impracticable. No person has yet been able to define when all the other shareholders are exhausted.

2205. It has already been stated in evidence before the Committee, that, practically speaking, the contingent liability is nothing; and you suggest that, instead of that, there should be a positive three months' liability?—Yes.

2206. Mr. *W. E. Forster.*] Would you at the same time release them from any contingent liability after the three months?—From every liability after three months, in the case of a company coming to grief, or being in process of liquidation; and it is a fair compromise, in my opinion, between that and what is practically unworkable.

2207. Mr. *Goschen.*] Have you heard of any case in which it has been operative?—Never. I am creditors' representative in the liquidation of the Joint-Stock Discount Company, and questions have arisen in many cases whether a man can or cannot pay the calls; many of them, poor fellows, unfortunately cannot pay, and then comes the question whether the list is exhausted until their goods are taken and they are sold up. I know many clerks in banks, for instance, who are living on their salaries, who would, on such an exhaustion being necessary, have to go through the Bankruptcy Court, though there has been no fraud or imputation of the slightest degree of improper dealing.

2208. And that is the general opinion amongst liquidators, is it not?—I should say so, decidedly.

2209. Mr. Alderman *Salomons.*] You say that the men who transfer, should be liable for three months?—Yes.

2210. What position is the man then to be in, to whom the shares are transferred?—If the man to whom he has transferred the shares is able to pay all the calls due upon them, there is nothing more to be said. You cannot call upon a share more than the amount of the share.

2211. Then you mean to say this, that if the man to whom the shares are transferred is unable to pay, the man who has transferred the shares shall be liable for three months?—Yes, I say that you should go in succession from holder to holder during the three months, if the shares are transferred more than once, until you have got from them the whole amount of that share, or as much as is required.

2212. That to a certain extent, probably, would facilitate the transfer; then the directors will not care whether or not the man who comes on is a good man, because the man who sells would be liable for three months?—Perhaps; but I hardly think the directors of a company would, in anticipation, limit their operations to three months.

2213. Mr. *W. E. Forster.*] Would you oblige the directors to prove that they cannot recover from the buyer, before they make use of those three months' liability as regards the seller?—Of course you must exhaust him in some way, or with the consent of the Court make a compromise with him if he cannot pay in full. He must make such a statement as will satisfy the Court that he cannot pay.

2214. And the difference between your proposition and the present law would be, that he would really have to exhaust the buyers and no

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ll the holders?—I say that he would have to xhaust the holders of that share.

2215. But not all the holders?—But not all ie holders of all the shares.

2216. That is the difference, is it not?—That the difference.

2217. Mr. *Goschen.*] How is it at present?—t present you must exhaust the holders of all ie other shares.

2218. *Chairman.*] At present if there are 500 iareholders, you must sell up every man of the 99, and put them in prison, I suppose, before ou can go upon the 500th?—Yes.

2219. And, instead of that, which is a practical npossibility, you suggest an absolute liability pon all shareholders for three months?—Yes.

2220. Mr. *Goschen.*] The liability for calls ould go, I suppose in your view, beyond the three ionths; but if the company were to fail within ie three months, he would be liable for calls that ight be spread over the year, or would you stop ie liability entirely at the end of the three months?—I propose that when the company fails, the ioney due on all shares should immediately beome due and payable.

2221. Mr. *W. E. Forster.*] Your proposition s this, is it not, that for three months after the sale f every share, the seller will be liable for his hare of the debts of the company up to the hree months?—Yes.

2222. And that this liability can be enforced ipon him so soon as the buyer is exhausted?—Yes.

2223. Mr. *Goschen.*] Do you think that you ould be able to avoid litigation if the seller is iable for debts contracted before that moment, nd not liable for the debts contracted during hose three months?—I do not propose to take into ccount the debts of the company when they re contracted, but to make him absolutely liable whether he was a partner or not.

2224. So that he would be liable for debts ontracted even after the sale, but only for the eriod of three months?—Yes; it would be one f the incidents of his being a shareholder, that ie would have that liability.

2225. As a banker, would you say that it was mmensely difficult to distinguish between debts ontracted before a certain day and after it?—It is totally impossible to do so, in my opinion.

2226. Especially as you could not say what ssets applied to former debts, and what applied o later debts?—Supposing a company were in iquidation, you would have to dissect the proeedings of the company, in order to fix the indiidual liability of shareholders to a day, and I say hat that is totally impracticable.

2227. *Chairman.*] Will you kindly take the next point in which you suggest an alteration?—I think that the liability of the directors ought not to be unlimited, but it ought to be the same as the liability of the shareholders.

2228. Merely to the amount of their shares?—Yes, I can see very great evils from making them more responsible.

2229. You consider they should merely be liable for the amount of their shares, like ordinary shareholders?—Yes; if you make them otherwise liable, you would inevitably drive out all the best and most prudent men. You cannot control a board, except by a majority, and it might so happen that the speculative part of a board might be in a majority, and if they passed resolutions which the prudent men thought might lead to ruin, they would inevitably go out of it, and you would so lose the only means of retrieving any danger to the position of the company.

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2230. Do you see any objection to giving power to directors, if they think fit, to elect as directors, or as managers, persons under unlimited liability, if a combination chose to say that they would have a board, or a manager, or a chairman, who should be liable to everything they had got, on the French principle *en commandite?*—The French principle applies, I think, only to the *gérants*, and not to the directors.

2231. Mr. *W. E. Forster.*] I think the honourable Chairman does not mean that you should give to present companies, as at present established, the power by vote to make the liability of the directors unlimited; but I imagine that he meant to ask whether you see any objection to there being power given by law for companies to be framed upon that principle?—I do not think it would be of any use.

2232. You would not recommend it?—I should not recommend it, certainly. I may say for myself (assuming that I have a certain degree of prudence), that I would not belong to a company of that description. I think French companies are different from ours; the *gérant* has much more power than our managers have; and supposing the company to fail, I think the responsibility is worth very little.

2233. Mr. *Stephen Cave.*] That is more like the plan of the manager or the partner in any company or in any concern borrowing money from people whose names do not appear, and who are paid according to the profits; is it not?—I do not quite understand the question.

2234. By the Act of two years ago it is allowed to people to become partners to a certain extent, whose liability is limited, whereas the ostensible partners have unlimited liability?—Those are private partnerships.

2235. It is more like the French *commandite* principle than anything else, is it not?—Yes. We next come to the power of buying shares by the directors with the capital of the company. I think that that is most objectionable, and that it ought not to be permitted upon any consideration whatever. You may easily see that, if the directors were speculators, they might use the capital of the company to run up the market for the purpose of selling their own shares; and even when a company was going wrong, and the shares were falling in the market, there would be a temptation also to prop up the shares, certainly to the injury of the creditors, if it came to grief afterwards.

2236. Mr. *W. E. Forster.*] Has the bank with which you are connected a lien upon the shares of its shareholders, who may keep accounts with it in case of their failure?—Certainly.

2237. Then would you take away from the bank the power of selling its shares?—No, that is not buying the shares; the shares become forfeited, and they are to be reissued.

2238. Then you would consider that in any enactment, which should prevent a company buying shares, careful provision should be made that they should be able to sell shares of which they thus obtained possession?—Yes; I may state that in the bank to which I belong, there was the power when I joined it to the directors to buy up shares out of the capital of the company. I got the articles of association altered on purpose to do away with that and other powers, but I more

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stringently provided that the shares of the shareholders should be liable to their co-shareholders for any debts to the bank.

2239. Does your objection apply to a company retaining part of its shares, and selling them?—I say, that before a company is allowed to commence business, the whole of its shares ought to be taken up and allotted.

2240. Mr. *Stephen Cave.*] Would you allow directors to buy shares for the sake of protecting themselves against the "bearing" of shares?—I should allow the directors to buy with their own money as much as they liked.

2241. But not by vote of the shareholders?—Not at all; it is in effect limiting their liability to the public without notice.

2242. Mr. *Goschen.*] Have you ever heard of a company buying shares at a great discount, and then putting them in their balance sheet at the nominal value?—I have heard of, but I cannot say that I know of such things.

2243. But there have been such reports current, have there not?—Yes.

2244. In the case of a company getting hold of its own shares, would you compel it to sell them, or would you allow it to cancel them?—There ought to be some discretion allowed in that case to the directors. It is not in the nature of things that they should get possession of many shares in that way; it will not affect the question largely, either in one way or the other. When the shares are forfeited, or parties become bankrupt, and they get a lien upon them in consequence, the directors ought to have a discretion as to how they will put those shares out again.

2245. It struck me that the directors in a dishonest company, conniving with a large shareholder, might direct the payment of calls, and then cancel the shares, which would relieve the liability?—I think there would be a considerable penalty. If my ideas were carried out, every man must pay up at least 25 per cent. before the company commences, and if he then forfeits the shares, that at any rate is forfeited, and I would have, at least, 50 per cent. to be paid up before two years were gone over. As regards banks, my own opinion is that a payment of 50 per cent. on the shares is the proper regulation. It is the regulation of the old Royal charter under which the Oriental Banking Corporation carry on their business. They had to pay up their capital, and they are to be liable for as much more; but the directors have no power to call for that further sum; it is only as a security for the shareholders, in the event of failure; and that, according to my view of the case, is the best arrangement any bank could make for its own credit and the security of its customers.

2246. *Chairman.*] Twenty-five per cent., and 25 per cent. more within a year?—Within a year or two as the business extended. The Oriental Bank Corporation carry on their business by Royal charter, and the Royal charter in all cases used to provide that the capital should be paid up, and that the shareholders should be liable for as much more, the directors having no power to call for that further sum until the company was in liquidation.

2247. It is a simple guarantee to depositors and creditors?—Quite so.

2248. Mr. *Finlay.*] With regard to the forfeiture of shares, where shares are forfeited for non-payment of calls, do they become extinct?—They do not.

2249. What becomes of them?—I should leave the directors power as to their re-issue.

2250. *Chairman.*] That is to say, you would say, "Here is a share with 10*s.* in the pound paid up;" it is a property, and if you forfeit that share you assume that it is a marketable commodity, and deal with it as such?—Yes.

2251. Mr. *Finlay.*] Would you give the directors power to deal with that at a general meeting?—It is so small a matter that there would be no difficulty in dealing with it.

2252.] Mr. *Stephen Cave.*] Unless the share still exists, you lower the capital of the company *pro tanto*?—Yes, it would reduce the assets of the creditors.

2253. Mr. *Morrison.*] With regard to what you have said about companies trafficking in their own shares, do you know anything of what are called partnerships of industry?—I do not.

2254. Will you take this paper from me as being the articles of association upon which a company is working, and read it, and state whether you see any objection to companies trafficking in their own shares in that sense?—"Reserved shares issued at par value to persons in the employment of the company shall not be transferred to persons unconnected with the company until after they shall have been offered at the current market price to the other workmen of the company, by written notice placed inside the works; and in default of purchase by the other workmen, the company itself may become the purchaser, at par value for three years after allotment, and at market price thereafter." I do not understand anything about those industrial companies, because I was never connected with any of them, but I do not like the clause at all; it militates against some of my previously explained views. We will go now, if you please, to the winding up of companies. I think, in the first place, that the winding up of companies by the Court ought to be entirely abolished. It is not a proper tribunal, in my opinion, for such a purpose. The proceedings are extremely cumbersome, extremely costly, and very dilatory.

2255. *Chairman.*] And I suppose sometimes it is very inefficient?—As far as I have had the pleasure of meeting the chief clerks, I must say that they are a body of very able men; but, in reality, they are obliged to work upon affidavit; subjects come before them that are not within their ordinary cognisance, and they are obliged to take affidavits from parties who seem to be capable of giving them advice; that is both expensive, and, as you will see, extremely dilatory. In another point of view, it is very costly, inasmuch as the liquidator has no power even to sign a small cheque without going to the Court; and the creditors' representative, or anybody who has a right to appear, has a right to appear with a solicitor also, so that if you want a cheque for 20*l.*, it might cost you 25 per cent. of it to get permission to sign it. I think the Court is not suited to taking cognisance of the business in a proper way. I suggest that liquidation should be confined to two kinds: compulsory liquidation, which should only take place when a company is unable to pay its debts, or upon the action of creditors; and voluntary liquidation, when a company is desirous itself to wind up. I propose that the liquidation of a trading company should

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e carried out as if it were of a private partnerip, as far as the analogy can be carried out. may be necessary to have the liquidation in hancery, inasmuch as there are so many rights parties which could hardly be decided in a ourt of Bankruptcy, yet I think the proceedgs might be greatly simplified; that, instead being by petition, they should be by sumons similar to summons in bankruptcy, upon hich the Court, or the chief clerk, should ljudicate; and if companies summoned were nable either to show that they were not indebted, that they had got a good cause of defence, at compulsory winding up should be decreed. propose that, instead of leaving matters so uch to the Court as they are left at present, ie creditors, who are almost entirely ignored in ie present proceedings, should have the same ower that they have under ordinary bankruptcy. will illustrate that view by referring to the se of the Joint Stock Discount Company; the quidation there being a compulsory one by the ourt. The only parties who had really anying to say in the Court, or who could have uch to say to the Court, when the order to ind up was given were the directors and their mmediate friends, for the creditors probably did ot know each other, and are never a body ho can take immediate action, and the conseuence is that usually the creditors are almost ntirely ignored in these liquidations. I happen be the representative of a very large debt in the oint Stock Discount Company; by application the Court I was appointed creditors' representative, but no such officer is named in the Act, nd he is really a sort of excrescence on the windg up clauses.

2256. Will you explain to the Committee how creditor's representative is appointed; under hat circumstances and under what power?—here is no power given by the Act, but I beeve it has been found by the Courts, in liquiations, that it is very inconvenient to have no erson to look after the interests of the creditors, nd they have invented, I may say, the creditors' epresentatives, of whom I happen to be one. he order made in my case is, that I am to ttend as the representative of the creditors in all roceedings.

2257. You mean to attend the Court?—I do ot know where. It is so ill defined that I am oing to apply to the Court to tell me better hat I am to do.

2258. Have you a copy of the order?—I have ot. The consequence of this is, that though ie whole of the estate really belongs to the reditors (that is to say, all the assets including ie uncalled capital), yet the creditors have no ower of dealing with it. If it were in bankuptcy, like a private partnership, the creditors ould immediately be able to look after their wn interests in the liquidation of an estate hich really belongs to them.

2259. But would not that interfere with the aking of a call?—I provide against that by aying that there is no necessity for any; that, n a winding-up order being made, uncalled apital should immediately become due and payble.

2260. Then you would propose that the creitors should choose the liquidator?—I should ropose that, after a decree for winding up, the hief clerk should name an early day for the creitors to come in and prove their debts; and that they, having proved their debts, should, according to the amount of their proof, have a voice in the election of the liquidator. You would do away with those difficulties which now beset the Court in fixing remunerations. The creditors, having named their own liquidator, would have power out of what is really their own estate of fixing what he was to be paid for it. They would be able to define what his power and authority should be; whether he should be able to call in accountants, or how he should act. Of course they could appoint any person they liked a liquidator, a public accountant, or any person.

2261. Mr. Alderman *Salomons.*] Then they should have power to regulate the unpaid capital of the company?—They would have nothing to regulate if all the capital of the company were immediately to become due.

2262. That might be a very hard case, might it not?—I cannot myself see the hardship. In all the liquidations I know the money is really due to the creditors. If I were passing through the Court of Bankruptcy, everything I possessed, which was not embarked in the business in which I had failed, would immediately become the property of my creditors.

2263. No doubt, but take Gurney's case, where the money involved amounted to millions, there would be no harm, would there, in putting it to the creditors to make calls, instead of saying that it should all be paid up at once?—I am quite sure that, if you were to make the law as I recommend, you would never have such a case arise.

2264. *Chairman.*] A man would not take the shares, if he was aware that it was a positive, and not a doubtful liability, I suppose?—Certainly. Then I propose that the shareholders should have the power of inspection. I think it is fair that they should see that the estate should be fairly wound up; memoranda should be kept by the liquidator, or minutes if there were more than one liquidator, which they should have the power of inspecting, and if they dissented, they should have power to apply to the Court by summons, to have any wrong rectified.

2265. In point of fact, to condense the recommendation which you make, you think that the creditors, who are the parties who are more immediately and largely interested, should have the bias, as it were, in the winding up of those concerns?—Certainly.

2266. And that at present the creditors have not the control which is necessary for their protection?—I think so.

2267. What is the next point to which you wish to refer?—In order to insure this winding up, the vacation judge should be bound to take all cases of liquidation. If a company requires liquidation during the long vacation, no person has power to move, or to do anything.

2268. In point of fact, you think that a court should be kept open to deal with those questions, as in the case of the Bankruptcy Court?—There is a judge always sitting. It might be an advantage, if they had power to remit the examination of witnesses, and such matters, from the Court of Chancery to the Court of Bankruptcy; but at the present moment at the long vacation, liquidation absolutely sleeps; you cannot do anything.

2269. What is the next point of importance to which you desire to draw the attention of the Committee?—As to the power of the share-

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holders to commence liquidation, the power at present given is an extremely dangerous one, and very much apt to be abused.

2270. I believe it is that any single shareholder who may have bought a share for the purpose, or any single creditor who may have become a creditor for the purpose, may give the company notice of winding up, even although there may be no debt and no reason for winding up?—Yes, and he must advertise it.

2271. What would you propose as a remedy for that state of things?—I propose that if the shareholders wish to wind up, it should be done by special resolution. I do not think that one individual shareholder ought to have power to bind all the rest. In every deed of association which I have seen, there is generally a certain proportion of the shareholders necessary to require the holding of an extraordinary general meeting, and surely, in a case of so much importance as this, you ought to let every shareholder have the opportunity of considering the question, and there ought to be a special meeting first called, according to the articles of association, to consider the matter.

2272. In point of fact, you would give to a meeting of shareholders acting by special resolution, the power which is now given to an individual shareholder acting *ex mero motu*?—Certainly; but if a voluntary liquidation were to be agreed upon in that way, of course it must be under the condition that they are able to satisfy their creditors; if they cannot do so, it of course becomes a bankrupt estate at once, and should pass into liquidation in the ordinary way. At the same time I would give every facility to companies and their creditors, to make agreements to liquidate under a deed of inspection. If a company had been unfortunate in business and no blame attached to the directors beyond their misfortune, I think the creditors would be glad, in most cases, that liquidation of that kind should be possible.

2273. Mr. *Brett.*] Would you go so far as to say that a company is not to be wound up, except upon a vote of the majority of the shareholders at a meeting?—Certainly. A man has always the power of selling out.

2274. But do you go that length, that there should not be what is called a voluntary winding up at the instance of the shareholders, except upon the vote of the majority at a meeting?—Yes, by special resolution, as defined by the present Act.

2275. Mr. *W. E. Forster.*] You mean a majority of the shareholders present at a meeting, and not a majority of all the shareholders?—No; I mean a meeting where a special resolution is carried as defined by the present Act. By the present Act of Parliament a special resolution is the resolution of a meeting specially convened for a particular purpose, where the object proposed must be set forth in the advertisement calling the meeting, and it must be carried by a majority of three-fourths of those present, either in person or by proxy.

2276. Mr. *Brett.*] But according to your view of the power which you say is exercised by the majority of the shareholders, if the majority were speculative, the minority must go on?—Certainly. The shareholders of the company are the persons to choose their own directors, and, if they choose speculative directors, they have power to alter it. If persons enter into a company without due deliberation, they must take the consequences.

2277. Mr. *Goschen.*] You said that the minority would be able to sell out, but that might be very difficult if it was desirable that they should liquidate?—Just so, but then the rights of the creditors come in.

2278. Do you think that the powers of the shareholders at present for winding up are excessive?—I think that they are very excessive.

2279. Mr. *W. E. Forster.*] You would make this a condition which should apply to taking shares in companies?—Yes.

2280. *Chairman.*] Are there any other points which you wish to mention to the Committee?—Great inconveniences often arise upon the question of the register. The powers at present are, that any persons may go and search, and they can have copies given to them, but they are not permitted to take copies. A man wants to select a few names, perhaps, out of a company for the purpose of confirming his own opinion we will say, of the probability of its being carried on prudently. He, perhaps, cannot remember 20 or 30 names, but he wishes to go and look over the register, to see who are the shareholders and who are the directors. He is not permitted now to take an extract, but he must apply to the registrar, and the registrar will supply him with a full copy. He cannot say what names he wants; he cannot, in fact, get the names of the best men without taking the list and paying for it.

2281. What would you suggest as to that?—That any person should have power to search and take extracts.

2282. Whether he were interested or not interested?—The public is always interested in a company, more or less.

2283. Do you mean that any shareholder should have that power?—I mean any shareholder, or other person.

2284. Any person might do it out of curiosity?—Yes; like searching for a will in the Prerogative Court, you pay your shilling, and take your copy.

2285. Mr. *Stephen Cave.*] But you cannot take a copy in the Prerogative Court; you may search, but not take a copy?—I am under a very strong impression that I have taken memoranda there.

2286. *Chairman.*] Still, you would suggest that anybody should have this power of inspection, and this power of making extracts?—That is what I suggest.

2287. Is there any other point which you wish to mention?—No. The Committee will see that my general view is that more care should be taken in the formation of companies; that great facilities should be given for winding them up, and that they should be carried on under the rules and regulations after an amount of care is taken in preparing them, which is not now taken

HENRY DAVID POCHIN, Esq., called in; and Examined.

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2288. *Chairman.*] ARE you the Mayor of Salford, and a Merchant of Manchester?—I am.

2289. Have you had large experience as a shareholder and director connected with limited liability companies?—I have, and I am a director of five companies with a capital of 6,800,000 *l.*, all of which is subscribed.

2290. Are you a large shareholder in all of them?—I am a large shareholder in all of them; I am among the largest shareholders in each company.

2291. The Committee wish me to say, to save your time and theirs, that they have had a very large amount of evidence as to matters to which you wish to depose, and therefore I shall ask you very shortly the questions which you have given me on this paper; I think that your opinion is, that in many of the companies with which you are connected, the nominal capital should be reduced?—Yes; in three out of the five companies with which I am connected, there is a desire to reduce the capital both on the part of the directors and of the shareholders.

2292. In point of fact, all the parties interested want to reduce it?—Yes. The nominal capital of those companies is 5,000,000 *l.*

2293. I suppose that if you had power to do it you would do it?—If we had power to do it we should do it at once.

2294. Will you inform the Committee whether you consider that a reduction of capital in those companies would in any way limit the companies' credit?—I believe that in all of those companies the reduction of the capital would in no way limit the companies' credit. There is quite sufficient capital to satisfy all the creditors.

2295. Will you explain the reason why the capital having been fixed, after full deliberation, by men of business at a particular time, it is now found that that capital is larger than is necessary?—In one case to which I wish to refer, the capital was fixed at the time of the formation of the company (that is, the Stavely Coal and Iron Company) at 600,000 *l.* It was found immediately we commenced business that that was not sufficient, and the capital of the company was increased 300,000 *l.* The property was bought in that case, as it was bought in every other case, subject to valuers going in and valuing the property, and settling a reasonable value as between the buyers and the sellers, and it was impossible at the time of the formation of those companies to tell what would be the amount of capital required. We saw the necessity under the Act of having enough, and therefore, out of the five companies, we have taken too much in three, and we took too little in one. The law gives us a remedy where we have taken too small an amount, but no remedy where we have taken too large an amount.

2296. And, in point of fact, the difficulty, as I understand you, was in all those cases that the capital of the company was to be regulated by valuation, and that the valuation of necessity took place after the formation of the company, and that in some cases you found the valuation too much, and in some cases too little, according to your capital; and that in the former cases you can increase your capital, but in the latter you cannot reduce it?—Quite so.

2297. Will you explain what the effect of the want of power of reducing the capital is, upon those large undertakings?—The effect is very serious upon the market value of the shares. No doubt during the excitement which has passed, people were induced to subscribe for more capital than was prudent. A crisis has come, and now they find a difficulty in providing for the calls which may be anticipated in connection with those companies. They have acted imprudently, and they are now suffering, but I do not think that the Legislature would desire to make them suffer more than is necessary under those circumstances.

2298. Do you think that public damage arises by this overhanging liability?—I think that it is a great public damage; the shares of many companies are incapable of being negotiated in any form, the property being as far as paid-up capital is concerned, just as unavailable as if it were at the bottom of the sea. It cannot be dealt with; it cannot be sold in the market. No banker will look at it, and the consequences are very serious and very considerable, having regard to what I believe to be the real value of those shares.

2299. In point of fact, people look upon it as a liability and not as property, although intrinsically it is a property in some cases?—Just so. In many cases a large liability hangs over the shareholders, which they may never be called upon to provide for, but they are afraid of it, and the consequence is, that everybody stands aloof from shares in limited companies at the present moment.

2300. Do you think that the application of the principle of limited liability is damaged by this want of power on the part of the shareholders to do in the shape of reduction what they have power to do in the shape of increase of capital?—I am sure that it is so.

2301. What is the result of this liability in the case of trustees?—It is very serious indeed; I know a case recently where a person was afraid to become a trustee for a friend; he refused to do so, knowing the large amount of liability that there was on the shares of limited companies belonging to his friend; I know another case where a lady was about to be married, and the arrangement was, that her property consisting chiefly of limited liability shares should be settled upon herself; she applied to nearly all her friends without being able to induce any of them to take the liability of trustee; at last she succeeded in getting two parties to take the liability, but immediately they did so, they sold a large quantity of those shares, and the money is now lying in the bank at a small rate of interest to protect them against future calls on those shares.

2302. Do you not consider that there would be an objection on the part of creditors to what you propose?—I think not where the concern is a solvent one; indeed, I do not see why the Legislature should seek to give security to ordinary creditors in the case of a limited liability company, which it does not even try to give in

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the case of a private individual; for instance, a private individual, however large his transactions may be, upon being married, may settle the whole of his property upon his wife; he may engage in large transactions in shares of the most speculative character, such as cotton speculations or iron speculations, and he may ruin himself in a day; I do not think that that is open to limited liability companies; such transactions are not contemplated in the articles of association, and they would leave, in my opinion, the directors individually responsible for such transactions; therefore, I think that you have a security in an ordinary case with limited liability companies which you do not get with private individuals.

2303. But how would you deal with the existing creditors in the case of companies where you reduce the capital; take, for instance, Palmer's Ship-building Company, which I think has a capital of 2,000,000 *l.*, how would you propose in an immense concern of that kind, to secure the existing creditors?—In that case there would be no difficulty whatever in paying off a creditor, if he wish to be paid off, and I would in all cases provide amply for his security. He has trusted the company, knowing a certain amount of capital was subscribed, and you ought to satisfy him that his debt will be paid, if you reduce the capital, and you ought to get his assent, in some form or other, to the transaction.

2304. Mr. *W. E. Forster.*] By "subscribed" do you mean that the subscribers have subscribed their names, and not that they have subscribed in actual cash?—They have not subscribed the whole amount in actual cash, but they are the registered shareholders in the company, and are liable for calls to the full extent of their subscription.

2305. *Chairman.*] They become responsible by registration, in point of fact?—Yes.

2306. I presume that you consider that the creditors should be provided for either by their debts being paid, or by their having assented to the reduction, or if it were considered desirable, by money being deposited somewhere, so that there should be absolute security? — They should either say that they want their debts paid and have them paid, or they should say that they were agreeable to have their debts run on with this reduced liability.

2307. Do you wish the Committee to understand that great relief would be given to individuals, and that a great public advantage would be conferred if this power to reduce capital were given?—Very much so.

2308. And do you urge that upon the Committee?—I do urge that upon the Committee.

2309. Have you any other suggestion to make to the Committee?—Yes; I think it is important that the Committee should render these properties as negotiable as possible, and I think that some alteration in the law is necessary to do that. At present, perhaps, hundreds of millions of property which is subscribed to those limited liability companies is not negotiable, and I think that a great part of it may be made negotiable. I have previously said that banks will not look at those shares in their present form, part of the capital being paid and part unpaid. Take, for instance, as an illustration, John Brown & Co., at Sheffield. The shares are 100 *l.* shares.

2310. That is the company who make those great armour plates, is it not?—It is, and they have very large operations; 60 *l.* of that capital is called, and 40 *l.* still remains to be called; that gives, on the 10,000 shares of the company, 600,000 *l.* paid up. At present, the persons who have subscribed that sum are not able to make any use of it. The shares are not saleable in the market, except at a considerable depreciation, and bankers will not look at them. I think that power might be given to make calls, in proportion to the shares held by individuals, but extending, not over the whole shares, but over a part of them. Now the call runs thus: "A call has this day been made of 5 *l.* per share on the shares held by you in this company, which you must pay at such a time." I propose that, if an alteration in the law is necessary, it shall be made for that purpose, and the call should be allowed to run thus: "We hereby give you notice that a call of a sum equal to 5 *l.* per share has this day been made upon the shares held by you in this company." (If he held 200 shares, that at 5 *l.* would be 1,000 *l.*) "The directors are empowered to allow you to pay that 1,000 *l.* upon the whole number of shares held by you, or to pay the sum of 40 *l.* on 25 shares, which will free those shares from further liability."

2311. That is to say, that you recommend that power should be given to post the whole of the calls to the paying up of particular shares, instead of distributing it over the whole?—Yes. Take the case of John Brown & Co., for instance: suppose I held 200 shares in that company, and a call of 5 *l.* was made, that would make me liable for 1,000 *l.* The call I suppose is required by the company for its necessities. If I pay 5 *l.*, making 65 *l.* paid on each share of the company, that 5 *l.* is as much locked up as the previous 60 *l.*; but if I take a share, and pay 40 *l.* upon it, and clear it of further liability, then my banker would receive that share as a security for what it was worth. He would take it, probably, and say, "100 *l.* is paid up, and there is no further liability upon it." It is not worth 50 *l.*, and probably it is not worth 20 *l.*, but he would take it as being worth something. Now, if a banker is asked to advance money upon those shares, he says, "No it is not taking security for a debt, it is taking a liability for further calls. These shares are of no use as security, unless they are registered in our name, and we refuse to have them so registered."

2312. Then would you make those paid up shares payable to bearer, or as the French would call it, *au porteur*?—I would make those shares payable to bearer in this way: "John Brown & Co. (Limited); capital, 1,000,000*l.*, in 10,000 shares of 100 *l.* each, hereby certify that the holder of this share is entitled to all the rights, profits, and advantages of share No. so-and-so, in this company, having 100 *l.* fully paid up thereon."

2313. Is there any other matter which you wish to suggest?—Then I think that that should be followed up by coupons, which should run in this manner: "John Brown & Co. (Limited), hereby promise to pay to bearer the dividend, if any, declared by that company to be payable upon share No. so-and-so for the year's operations, terminating March 31st, 1868. That share being a 100 *l.* share fully paid up." I think that when you have the certificate of the share, and the coupon attached, that would become with bankers really a favourite security. I was talking to a banker upon the subject the other day, and

d he acknowledged that such shares would ally bea very much better security than a mort-ge, provided that they were worth what had been vanced upon them. In case of a mortgage, we ow that consultations must take place between e banker, his solicitor, and the public, before at security can be negotiated. I conceive that this plan were adopted, the banker would more adily get at any advance which he had made on this property than even through a mort-ge.

2314. Mr. *W. E. Forster.*] At present, as you e doubtless aware, lists of shareholders in nited liability companies are printed, and are cessible to the public, and consequently a cre-tor is able to find out who are the shareholders, d who are responsible for further sums?—st so.

2315. By what means would you have inserted the list, the fact that certain shareholders had id up the whole of their shares, and conse-ently were not further liable, and therefore d not give the security of such further lia-ity to the creditors?—I think in two forms, e circular which is issued by the Stock Ex-ange, would run thus, "John Brown and mpany, capital 2,000,000 *l.*, of which so much paid up." You have no need to specify the mber of shares, or the amount paid on each. ith reference to the other matters of indi-dual security, by going to the register of the ares held by the company, every creditor, or any rson interested, could ascertain what was the bility of an individual upon his shares. In arly all those companies there are shares nich are more or less paid up, as compared th other shares; take, for instance, vendors' ares; in all cases with which I have had to , we have arranged that the person selling e property shall take so many shares in the mpany, of which so much should be consi-red as paid up. Sometimes 100 *l.* has been e amount of which 80 *l.* has been considered id up, and those are registered in the book us: "Mr. So-and-So, the holder of so many ares of which so much is paid up." Just so every other case, the name would be regis-red as that of the holder of so many shares, th so much paid up, and with a liability of much upon them.

2316. All that would be necessary would be, that any printed list against the name of the share-lder, there should be put the amount paid up?—Yes; I should propose that the names of the areholders and the number of shares they held id the amount paid up, should be printed, and ould be capable of being obtained by every areholder.

2317. *Chairman.*] Would you let persons who e not immediately interested be able to buy a py?—Everybody; because a person may be en more interested in a company which he is ing into than a person who is in it already, and ho may be supposed to be fully acquainted ith it.

2318. Would you make it a public document?—I would make it a public document to be ob-ined by everybody.

2319. Mr. *Stephen Cave.*] It is not uncommon it, in Indian railways, that part of the shares re fully paid up and part are not?—It is very mmon, but I think that in no case of a mited liability company is the dividend pay-ble in proportion to the amount paid up on the shares. It is generally that the amount to which the other shares are paid up, bears a certain dividend, and then beyond that the capital bears interest at the rate of 5 per cent., or any sum beyond that as interest. In the case supposed, I propose that payment shall be made in the shape of dividend upon those shares, in proportion to the amount paid up.

2320. Then you would have a double dividend column in the books, one for the shares partially paid up, and one for those wholly paid up?—Yes, just so. The dividend declared would be so much per cent. upon the paid-up capital of the company. The extent to which it is desired in foreign countries to make property of this kind negotiable as property is known to most honourable Members of the Committee. I have in my hand an Anglo-Austrian Bank share, a share of 20 *l.*, upon which 6 *l.* only is paid up, and yet this share is made payable to bearer. "The bearer is entitled to one share;" and in connection with that, here are the coupons attached for five years, I think (*handing in the same.*—Vide *Appendix*). There are 100,000 of those in existence, and they are constantly passing from one country to another for the purposes of exchange, and they are very common documents to be met with, and yet there is a liability on each one of those shares of 14 *l.*, 6 *l.* only being paid.

2321. Mr. *W. E. Forster.*] Is there any special provision making it very clear that a further sum would not be called up?—I believe that the expectation is that no further call will be made; but clearly the share is as liable to the 14 *l.* as it has been previously liable to the 20 *l.*

2322. *Chairman.*] I think that on the Continent generally, certificates like that are issued in cases where there are calls still to make, and then, when a call is made, it is endorsed on the back of the certificate?—I do not know what the arrangement may be. It would be contrary, no doubt, to the sense of Englishmen in this country to do anything of that kind; I only propose that this limited liability property shall be made as negotiable as possible, and I think that if the Committee were to examine the matter they would see their way at once to adopting this suggestion, which would, I am satisfied, render some millions of property at once negotiable in one form or other.

2323. The suggestion is really in three pieces; one being, that the proprietors of three companies should have the power of reducing their capital by resolution without winding up; the second being, that they should be allowed to have calls posted to the payment and satisfaction of particular shares; and the third being, that those shares so paid up should be payable to bearer, or *au porteur*, is that so?—That is really so.

2324. Mr. *Brett.*] Here in England you would only make the shares which are paid up negotiable?—I would only make the shares which are paid up negotiable. I think that there is a great objection to that form (*referring to the Anglo-Austrian Bank form*), and I simply wish to introduce it to the Committee to show the desire that there is on the part of foreign governments to make property of this kind negotiable, and to enable it to pass from hand to hand as easily as possible. Of course, when the whole amount of liability is paid up, it does not then signify who takes a share, any more than a Bank of England note. They say, "I pay to bearer

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so much," and they do not care who takes it. So with those companies. But I would suggest that although it is made payable to bearer, it should pass by endorsement, and that the stamp question should be got over by affixing a stamp of a certain value to a certain share. Supposing that for 100 *l.* you might affix a sixpenny stamp, and for 50 *l.* a threepenny stamp, and then the share should be endorsed as handed over.

2325. You think that that would get rid of the objection as regards the reduction of revenue?—That would get rid of all the objection.

2326. Then, you see a substantial advantage in having portions of this property without contingent liability, knowing that portions of it must of course always remain under contingent liability?—Yes, I think that there would be very great advantage in that.

2327. Mr. *Stephen Cave.*] There is a very small matter of detail which has just occurred to me from your mentioning the Bank of England notes; in those shares payable to bearer, the bearer's name of course would not appear in any books?—It would not.

2328. Supposing that one of those shares was destroyed or lost, how would the bearer get his dividend from the company?—There would be just the same difficulty as in the case of a Bank of England note, and some similar provisions would have to be made.

2329. In the case of a Bank of England note, when that takes place a guarantee is given by two substantial people, in the first place, and an advertisement is placed in the papers for a certain time, and then an affidavit is made by the loser of the number of the note, which he must have, and then he gets two respectable people to join him in a guarantee that if ever the note is produced again it will be paid, and then the Bank of England gives him the amount?—Some provision of that kind must be made; it seems to me that a Bank of England note for 100 *l.* is very much in the same position as a share certificate of 100 *l.*, and I conceive that there would be no difficulty in it.

2330. You heard what the last witness stated about a bank in which the shares were fully paid up, but where they also carried with them a liability to an equal amount, in the case of bankruptcy, for the protection of creditors and depositors; what is your opinion of that plan?—I think that it would be very objectionable, indeed; it would be increasing a liability about which there is a great deal of uncertainty, and it would be preparing for a contingent liability of a very uncertain character, which often involves a person in very considerable loss. I think that if a person knew the exact amount of money which *would* be wanted, that would be far less objectionable than knowing that a certain larger amount of money *may* be wanted; because, in the one case, he is providing the money, knowing that it will be required some day or other, and in the other case he is prevented from entering into transactions of a very beneficial character, because of the uncertain nature of the liability he has incurred.

2331. Mr. *W. E. Forster.*] You, also, probably heard the last witness's suggestion that the contingent liability for 12 months should be changed to absolute liability for three months, what is your view as to that?—I think that it presents very objectionable features, indeed; I put this question to myself when the witness was stating that: supposing a man sells shares in a bank to day, and to morrow a meeting of the shareholders is called with reference to opening another branch; the man who sold those shares could not be present at the meeting, and the man who bought them might be present, and he might vote for opening that branch, and the bank might be brought to ruin in consequence; and yet the vendor would be responsible for the act of a person over whose decision he had no control whatever. It seems to me that when a man has retired from being a shareholder of a company, he is not responsible for the acts of others.

2332. Then would you allow the law to remain as it is at present, that his liability should not accrue until all the existing shareholders were exhausted?—I would allow the law to remain as it is, and for this reason; it is right to make a man liable for debts incurred whilst he was a shareholder of the company, and he has nothing to do with any debts incurred afterwards. The directors might be appointed the very day after he had sold his shares, and those directors might bring the company to grief.

2333. That was not the meaning of my question. Take this case. A. is a shareholder in a company in which there are 400 shareholders; the company is in difficulties, but has not stopped payment; he sells his shares; it does stop payment in three months afterwards; but although it was in difficulties at the time he sold his shares, he is not liable to the creditor until the whole of the 400 existing shareholders are exhausted; do you think that that state of things ought to continue?—Yes, I do. I think that you ought to leave persons at liberty to take a speculative risk if they please. In the case of Overend and Gurney's, after the stoppage many sales were made. People entered into a speculative transaction; other persons who wished to be more secure said, "We will get out at any loss," and they sold their shares at a very serious loss.

2334. My question did not apply as between the seller and the existing shareholders, but as between the seller and the existing creditor; do you think that he ought to escape his liability to the creditor for a concern which was really insolvent at the time he sold, except in so far as that liability may be made to apply to him by what is proved to be the almost impossible process of exhausting the existing shareholders?—I think that a shareholder ought to be responsible for debts incurred during the time he was a shareholder, and that his liability ought not to be removed by his selling the shares to a worthless individual.

2335. It has been stated by one or two witnesses of experience that it has been found so difficult to apply the liability to a shareholder who has sold by exhausting the existing shareholders, that no case has been known in which it has been done, even in the case of companies in which the creditors have not received 20*s.* in the pound; are you aware that that is the case?—I am not personally acquainted with any company in those circumstances; but I believe that that has been the case.

2336. *Chairman.*] Is there anything which you wish to add to your evidence?—There is one other point which I should like the Committee to consider, and that is the point of making the shareholders of a company aware of what takes place at the annual meeting; for instance, I think that there is injustice done to shareholders living at

at Manchester, the annual meeting being held in London, by there being no obligation on the company to inform them substantially of what takes place.

2337. How would you meet that difficulty?—By a regulation that, *substantially*, the proceedings of the annual meetings shall be printed and circulated amongst the shareholders of the company.

2338. Are you aware of any case in which that has been done, in connection with limited liability companies?—Yes, I have two cases where it is always done, in the case of Bolckow, Vaughan & Co., that is always done. Shorthand writers' notes have been taken and circulated amongst the shareholders.

2339. Mr. *Morrison.*] Is that a very large company?—That is a very large company. In Palmer's Company the same plan has been followed at a very small cost, and I think that it is just.

2340. *Chairman.*] The capital of those companies is 4,500,000 *l.*, is it not?—The capital is 4,500,000 *l.*

2341. And how many shareholders are there?—350 perhaps in the one and 300 in the other, about 650 in the two.

2342. How many shareholders generally attend the meeting?—In Bolckow, Vaughan & Co., the shares are held to a large extent in Manchester, and we have, perhaps, 60 or 70, and perhaps more in some cases; but in the case of Palmer's Company, where the shares are held all over the country, the number of shareholders who attended the annual meeting, was not more, I suppose, than 25.

2343. In point of fact a minority of shareholders attend the meeting?—By far a minority.

2344. Then you think that all the shareholders should be made aware of what takes place at the meeting?—Yes.

2345. And you think that a shorthand report of what takes place should be sent to them?—I think that, *substantially*, they should be made acquainted with what takes place.

2346. Is that any great expense or trouble?—I think that it is about 6 *l.* or 7 *l.* to the shorthand writer for his notes and a copy of those notes, and then there is the printing of those notes.

2347. In point of fact, it would be perfectly easy, and the cost is a bagatelle?—Yes; I do not think that it would be necessary to have a verbatim report, but a substantial account.

2348. Mr. *W. E. Forster.*] If it were not a verbatim report, how would you guard against its being a garbled report?—If there were a clause in the Act of Parliament which said that, *substantially*, the directors should circulate an account of the proceedings at the annual meeting, I think that very soon the law would define what a substantial report of those meetings was, and there would really be no difficulty.

2349. *Chairman.*] Is there anything further which you wish to state to the Committee?—With reference to paying the amount of a call on one or more shares in a company, it is a question whether it can be done under the present Act of Parliament. We have had that matter in consideration in connection with John Brown & Co.; we instructed the solicitor of the company to report, and he reports "that there is nothing in the general Act against it; if it went into court it is *possible* that the judges might see some preference given to one class of shareholders over another; I do not see how they could do so, but it is just possible that they might, on grounds of that or some other kind, declare the transaction to be illegal; I think that you would run very little risk in altering your articles of association so as to enable you to do it, but it would be far better if the law declared positively that it could be done."

2350. That is to say, that you could have a portion of paid-up shares in the way that you have described?—Yes, that the calls might be made on individuals, allowing them to pay the amount of their calls on one or more shares.

2351. Mr. *W. E. Forster.*] I gather from your last answer that there is not at present any legal obstacle to a new company being formed with articles of association which would give that power?—There is just the doubt which I have endeavoured to express, that the matter has never been settled by a court of law, and that the judges might fix upon a contrary interpretation of the present law.

2352. I understood you to state that you thought it was possible that the judges might raise that difficulty in the case of the companies which were already formed, and whose articles of association had been previously adopted, but do you think that there would be any difficulty in the formation of a fresh company with articles of association which gave that power?—I do; that is just the difficulty which I should have. It has always been contemplated that if that is done in the case of John Brown & Co., we must at once go in for an alteration of those articles of association; but after we had done that, and got them settled in the best possible form, there is then a question, whether it would not be contrary to the existing law.

2353. Then you do not ask for such an amendment of the Act as would enable that to be done without an alteration of the articles of association?—Decidedly not; the articles of association say, that the dividends shall be in proportion to the shares held by the shareholders. That is a difficulty which we should at once have to get over. They also say that the calls shall be made on the individual share; *that* we should get over, we should have our shareholders' meetings, at which we could get power to alter those articles, then we desire that the law shall say that there is no illegality in it.

2354. You have already power, have you not, by meetings specially called for the purpose, to alter your articles of association?—Yes.

2355. *Chairman.*] But the question is, whether legally you can alter them to that extent I suppose?—That is the question.

2356. Mr. *Morrison.*] Would you make it compulsory upon a company having a capital of 200*l.* or 300 *l.* to circulate shorthand writers' notes of the proceedings at the annual meeting?—In that case the proceedings at the annual meeting would be very short.

2357. Are you connected with such companies?—No; I think the amount would be exceedingly small, and that the liability on the company in such a case could not be more than 5 *l.* or 6 *l.*

2358. Mr. *Finlay.*] With regard to your evidence respecting the power which you think ought to be granted to companies to reduce their capital, you instanced John Brown & Co. with 100 *l.* shares, 60 *l.* paid up, and a liability

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liability to a further call of 40 *l.*; and I understood you to say that you thought it desirable that they should have power to reduce their capital?—Yes.

2359. At the same time, you said that you thought that the company ought to have power, and that any shareholder ought to have power, if he chose, to pay up the full amount; but it appears to me that if the full amount were paid up on any shares, you could not then reduce the capital?—Certainly not. John Brown & Co. would not reduce their capital; but take the case of Palmer's Company, they would at once reduce it, and then, when they had reduced the capital, they would practically say, "We think that in the course of two years, or two years and a-half from this time, this capital will be required, or nearly so." Then shareholders would begin to pay up the whole amount.

2360. Of course, if a company desired to have power to allow its shareholders to pay up the full amount, it could not afterwards have power to reduce its shares?—It could not.

2361. Then with regard to shares transferable to bearer, how would those shares be represented at public meetings; would you allow anyone who held a share in his hand to be recognised as a shareholder at those meetings?—Yes. If it passed to bearer he would be a shareholder by his having it in his hand and endorsed. I propose that the shares should be endorsed; he would have to present his share with the endorsement, and be registered at his entrance to the meeting.

2362. The shares would have to be taken to the meeting?—They would have to be taken to the meeting, no doubt.

2363. Do you see no practical difficulty in that?—I see no practical difficulty in it.

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APPENDIX.

Appendix, No. 1.

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21 March 1867.

E. C. Curzon, Registrar.

Appendix, No. 2.

PAPER handed in by Mr. *Newmarch*, and referred to in his Evidence, 22 March 1867.

App. No. 2

Proposed Amendment of "The Companies Act, 1862."

"The Companies Act, 1862," governs nearly all joint stock companies not incorporated by special Act of Parliament or charter, and has repealed the provisions of the several Joint Stock Companies Acts of 1856, 1857, and 1858, which previously to 1862, regulated the greater number of joint stock undertakings.

The Companies Act of 1862, authorises the formation of three descriptions of companies, viz.:—

1. Companies, the liability of whose members is unlimited;

2. Companies, in which the liability of the members is limited by "guarantee;"

3. Companies, in which the liability of the members is limited by "shares."

The last mentioned is the form in which the great majority of companies have been constituted since the principle of limited liability was sanctioned by Parliament; and in these cases the member's liability is limited to the amount remaining unpaid upon the shares registered in his name, except in case of a winding up, when a member who has transferred his shares within a year previous to the commencement of the winding up, is liable in certain events to contribute towards payment of the debts of the company incurred before he ceased to be a member.

In the case of companies limited by guarantee, the member's liability is limited, in a somewhat similar manner, to the amount of the guarantee entered into by him on joining the company.

The "Joint Stock Banking Companies Act, 1857," extended to banking companies the provisions of the Act of 1856, with the important exceptions that limited liability (which had then been permitted to other companies) was not allowed to banking companies, and that the shares of all such companies were required to be of the nominal value of 100 *l.* at the least.

This Act was amended by an Act passed in 1858, which extended the privilege of limited liability to banks (except banks issuing notes), and in effect authorised a banking company, established with unlimited liability, to register itself afresh as a company with limited liability.

The minimum amount of bank shares was, however, still retained at 100 *l.*

By "The Companies Act, 1862," the Acts of 1856, 1857, and 1858, are repealed, and banking, as well as other companies, may now be formed with shares of any nominal amount whatever.

Under the 12th section of the Act, a banking, or other company limited by shares, may increase its capital or consolidate its capital into shares of larger amount than the existing shares, but it is restrained from dividing its shares or reducing the nominal amount of its capital.

The effect will be seen from the following example. A bank was formed, with limited liability, in May 1862, according to the then existing law, with a subscribed capital of 1,000,000 *l.*, in shares of 100 *l.* each, on which 45 *l.* per share has since been paid; and although most desirous of reducing the nominal amount of its shares, or dividing the 100 *l.* shares into smaller denominations, it is unable to do so, although no objection on the part of creditors or others is offered to the change; whereas if the bank had been established in November 1862, the shares might have been fixed at 10 *l.* or less, if desired by its promoters.

The bank referred to, and several other companies formed with shares of large nominal amount, feeling the disadvantages of their position, with a large sum remaining uncalled on their shares (whereby the liability of the shareholder is practically unlimited), have sought to obtain from Parliament special power to divide their capital into shares of smaller amount than that provided by the Memorandum of Association, or to reduce the nominal amount of their capital, but they have all failed to obtain this object. Lord Redesdale has opposed the granting of such powers to individual companies, on the ground that any legislation on the subject should be by a public Bill, applicable to all companies, in case the Legislature should be of opinion that an amendment of the existing law is expedient.

The principle of allowing a company to reduce the liability of its members after the original constitution of the company, and so to reduce the nominal security of its future creditors, is recognised by the Acts of 1856 and 1858, and also by the Act of 1862 itself, in the case of companies limited by guarantee, but more especially by allowing any joint stock company originally formed with unlimited liability to register itself as a company with limited liability, upon a resolution being passed by a majority of three-fourths of the members present at a general meeting of the company requiring the company to be so registered.

No assent of creditors is necessary to such registration, and even in the case of an unlimited banking company, the only condition imposed is that 30 days' notice of the intended limitation of liability should be given to the customers of the bank.

It is of course provided that debts and obligations of the company, incurred before limitation of its members' liability, shall not be affected by the registration.

Ma

Many persons object to invest in joint stock companies, however sound or well managed, upon whose shares there is a large amount uncalled, and other companies, whose shares are of a small nominal amount, are proportionately in request.

Practically no advantage or security is gained from the uncalled capital upon shares of large nominal amount, say 50*l.* or 100*l.* In the great majority of cases additional security would be given to creditors if a company so constituted were to divide its shares into smaller denominations, for by so doing it would, by making its shares more readily saleable, increase the number of its members, whilst the individual responsibility of each member would be decreased, and the ability of the whole body of members, to meet calls in case of a winding up, would be unquestionably greater if the division had taken place.

So great has been the objection to a large uncalled capital in several important companies, that they have voluntarily gone into liquidation in order to reconstitute the undertaking with shares of a small nominal amount. By this means the desired end is attained; but by indirect, and often objectionable means and much expense, labour and difficulty are occasioned.

The Act of 1862, authorises any unlimited company and any company limited by guarantee, to increase, reduce, or divide its capital as the members think proper, and there appears to be no reason why, if proper notice be given, and the rights of creditors are saved, those powers should be withheld from companies limited by shares.

With a view to do away with the anomaly of the present law, and to authorise companies limited by shares in like manner as other joint stock companies are now authorised, to bring their share capital to such denominations, as experience has shown to be the most desirable, it is proposed to introduce into Parliament, in the present Session, a Bill to amend "The Companies Act, 1862," in the particulars above mentioned. Its provisions will authorise any limited liability company to divide its shares or reduce the nominal amount thereof (but no share to be of less amount than 10*l.*), upon passing a special resolution for that purpose, or without such special resolution if (as is the case in some instances) the articles of association already provide for the division or reduction when the present legal restriction has been removed.

The division or reduction of the amount of the share will not relieve the members of the company from any liability to which they were previously subject in respect of their shares, so that the rights of existing creditors will be in no way affected by the alteration.

Bircham, Dalrymple, Drake, Bircham & Burt,
46, Parliament-street, Westminster.

March 1867.

Appendix, No. 3.

PAPER handed in by Mr. *Drake*, 26 March 1867.

App. No. 3.

A BILL to amend "The Companies Act, 1862."

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Further power to certain companies to alter memorandum of association.

1. In addition to the powers conferred by Section 12 of "The Companies Act, 1862," on a company limited by shares to modify to the extent therein mentioned the conditions contained in its memorandum of association, any company limited by shares (incorporated either before or after the passing of this Act) may so far modify the conditions contained in its memorandum of association, if authorised to do so by its regulations as originally framed, or as altered by special resolution, in manner in the said Act provided, as to divide its capital, or any part thereof, into shares of a less amount than that fixed in the memorandum of association, but not of a less amount, in any case, than 10*l.*, and may for that purpose subdivide its several existing shares, or any of them, into two or more shares, but that so that any share created by such subdivision be not in any case of a less amount than 10*l.*

Notice to Registrar.

2. Every company that alters the division of its capital, under the authority of this Act, shall give notice of such alteration to the Registrar of Joint Stock Companies.

Provision for liability of members.

3. The subdivision of an existing share, under the authority of this Act, shall not operate to relieve a member of the company from any liability to which he was subject in respect of that share before its subdivision.

Construction and short title.

4. This Act shall be construed as one Act with "The Companies Act, 1862," and may be cited as "The Companies Act Amendment Act, 1866."

Appendix, No. 4.

PAPER handed in by Mr. *Chadwick*, 26 March 1867.

App. No. 4.

Heads of proposed Bill to Amend "The Companies Act, 1862."

To reduce subscribed capital of companies.

1. A Company, with limited liability under "The Companies Act, 1862," may reduce the amount of its subscribed capital as hereinafter provided.

2. By an extraordinary general meeting of its members passing a special resolution to that effect, to be confirmed at a second extraordinary general meeting, held within one month, but not less than 14 days after first meeting.

3. Notice of such meetings to be advertised in two newspapers circulating in the district, stating alterations proposed, and notice of the special resolutions, when passed, to be inserted in the London, Edinburgh, or Dublin Gazette.

4. After such meetings have agreed to resolutions, notice by similar advertisement to be inserted in newspapers to creditors, bond and debenture holders, and mortgagees, of the intention to apply to have such alteration registered, and requiring all who object to give notice in writing of their objection, within 14 days, to the secretary of company and the Registrar of Joint Stock Companies.

5. No company to be authorised to reduce its capital if any creditor, bondholder, debenture holder, or mortgagee object thereto.

6. Provided that in case any person shall enter such an objection, whose claim is disputed by the company, the company shall be empowered to remove such an objection by the payment of such claim, or by depositing the amount with the Registrar of Joint Stock Companies, or in any bank he may appoint, in which case the person objecting shall be bound to take proceedings at law, or in equity, within a period of one month for the settlement of such claim.

To lessen the amount of each share, and increase proportionately the number of shares without reducing total capital.

7. Companies under limited liability, who may not desire to lessen the total uncalled capital of the company, shall, by two extraordinary general meetings, with such notice as is provided in the articles of association for any alteration therein, be empowered to divide its capital into shares of a less amount, provided that the number of shares be proportionately increased, and that each shareholder retains the same total liability on such increased number of shares as he formerly had on the lesser number of shares. This alteration may be carried into effect without any notice to creditors.

Appendix, No. 5.

PAPERS handed in by Mr. *Lathom Browne*, 3 April 1867.

TABLE illustrating the Power given to Directors, without Consent of Shareholders, in increasing CAPITAL and borrowing on BILLS and DEBENTURES; referred to in Answer No. 1117.

NAME OF COMPANY.	Nominal Capital.	Amount of Share.	Capital.	Power of Directors over		REMARKS.
				Bills.	Debentures.	
	£.	£.				
Contract Corporation	2,000,000	100	To double	Unlimited	Unlimited	Winding up.
Bank of Hindostan, China, and Japan	1,000,000	100	None	ditto	ditto	ditto.
Madrid Bank	1,250,000	20	None	ditto	ditto	ditto.
Imperial Mercantile Credit	5,000,000	50	Unlimited	ditto	ditto	ditto.
China Steam Ship and Labuan Boat Company.	460,000	20	To double	ditto	ditto	In voluntary liquidation, to reduce liability.
Natal Investment Company	500,000	58	Unlimited	ditto	ditto	Winding up under supervision.
London and Mediterranean Steam Navigation Company.	50,000	10	None	ditto	ditto	Wound up voluntarily, to amalgamate with next company.
London, Italian, and Adriatic Steam Navigation Company.	500,000	50	None	ditto	ditto	Winding up under supervision.
London Bank of Scotland	1,000,000	100	None	ditto	ditto	Winding up.
Estates Company	250,000	100	None	ditto	ditto	ditto.
Vyksowky Iron Works	500,000	20	None	ditto	ditto	In litigation.
Nova Scotia Gold Mining, &c.	100,000	2	None	-	60,000 *l.*	In process of dissolution.
Consolidated Discount Company	1,000,000	50	To double	ditto	Unlimited	Re-constructed by voluntary liquidation.
Mexican Bank	1,000,000	50	None	ditto	ditto.	
EXISTING COMPANIES:						
Steam Navigation Company (English)	2,000,000	100	To quadruple	Unlimited	1,000,000 *l.*	
Marine Insurance Company (English)	500,000	20	To treble	2,000,000 *l.*	1,000,000 *l.*	
Mining Company (Foreign) (*a*)	360,000	5	To double	Unlimited	None.	
Ditto ditto (*b*)	100,000	10	None	ditto	20,000 *l.*	
Insurance Company (Home and Colonial)	1,000,000	50	None	ditto	Unlimited	This Company is proposing to reduce the power of the Directors, as to acceptances, to 100,000 *l.* at any one time, and to take away their power as to debentures.
Improvements Company (Foreign)	2,000,000	20	To double	ditto	ditto.	
Irrigation and Public Works Company (Colonial).	1,000,000	20	None	ditto	ditto.	
A Trading Company	2,000,000	100	None	ditto	ditto.	
A Club Company	40,000	—	None	ditto	30,000 *l.*	
Engineering and Shipbuilding Company	2,000,000	50	None	ditto	Unlimited.	
A London Bank	500,000	100	To quadruple first issue.	ditto	ditto.	
A Colonial Bank	500,000	100	To double	ditto	ditto.	
A Credit Company	2,000,000	20	None	ditto	ditto.	
A Building Company (London)	1,000,000	50	To double	ditto	ditto	In this Company the marginal note represents the power of increasing capital to be in the Company by extraordinary general meeting.
An Hotel Company	100,000	10	None	ditto	80,000 *l.*	
A Manufacturing Company	30,000	10	None	ditto	½ of paid capital.	Power to appoint Directors for life.
A Continental Mining Company	60,000	5	None	ditto	½ nominal capital.	
A London Hotel Company	120,000	10	None	ditto	½ nominal capital.	
A Continental Manufacturing Company	250,000	20	To double	ditto	Equal to uncalled capital.	
The Warrant Banking Company	2,000,000	50	None	Borrowing powers not to be exercised till two-thirds of capital subscribed, and then to extent of three times subscribed capital.		
Credit Foncier of Mauritius	500,000	50	One-half	-	Four times subscribed capital.	Not to commence business till three-fourths of capital subscribed, and 2 *l.* paid on each share.

3 April 1867. *G. Lathom Browne.*

App. No. 5.

NOTE of DIFFERENCE between PROCEEDINGS for INCORPORATION under Act of 1844 (7 & 8 Vict. c. 110) and that now proposed.

1844.	Proposed Process.
(1). Provisional registration, with power to invite subscriptions. (2). Enquiry by Registrar. (3). Complete registration.	No invitation of subscriptions until incorporation, and no incorporation until Registrar satisfied that prospectus and articles agree, and that prospectus explains powers taken in articles.
RESULT.	RESULT.
Numerous questions of liability under provisional registration.	No new questions of liability can arise, but, on the contrary, many arising from differences between prospectus and other documents, and concealments in prospectus avoided.

3 April 1867. *G. L. B.*

Appendix, No. 6.

PAPER handed in by Mr *Howell*, 12 April 1867.

App. No. 6.

PROPOSED BILL TO AMEND THE LAW OF PARTNERSHIP.

WHEREAS, it is expedient to amend the law of partnership, and to grant facilities for the formation of private partnerships, similar to those which exist in France under the name "Societè en Commandite"; Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons in this present Parliament assembled, and by the authority of the same, as follows:

I. The immunities granted in this Bill shall be enjoyed only by those persons who, desiring to trade under its enactments, shall faithfully register the particulars of their partnership contracts, and obey the law as required by this Act.

II. It shall be lawful for one or more persons, but not exceeding six in number, conducting or proposing to conduct a business and being themselves unlimitedly liable (hereinafter called the acting partner), to form a partnership with one or more persons, not exceeding six in number (and hereinafter called the limited partner), whose liability shall be limited to the sum specified in the contract hereafter described.

III. Such partnerships shall be called mixed partnerships.

IV. Persons forming such a mixed partnership shall subscribe to a form of contract in triplicate as described in Schedule A, and make affidavit to the truth of the same before a master extraordinary in Chancery, and pay him a fee of one guinea.

V. The solicitor of the parties shall witness the subscription to, and the execution of the said form of contract, one of the copies of which he shall transmit to the registrar of partnerships to be by him filed.

VI. The sum of 10 *l.* shall be paid at such registration, with 10 *s.* per 100 *l.* on the amount of registered capital.

VII. The registrar having received the certificate of contract, and the legal fees from the solicitor of the parties contracting the partnership, shall advertise the same in a local paper proximate to the business, and in form given in Schedule B.

VIII. Any person shall, on payment of a fee of 1 *s.*, have access to the registry books at the office of the registrar, and persons making application to the registrar by letter, accompanied by a fee of 2 *s.*, shall be entitled to have a copy of the partnership contract forwarded to them by post.

IX. The account of the limited partner shall be kept in the general ledger of the firm, or, if the parties wish to conceal the amount of the profit of the business, the said limited partner's account shall be kept in a private ledger, upon condition that the said private ledger

ledger be first stamped and numbered with a date at the office of the registrar of partnerships, for which stamp shall be paid the sum of 10 *s.*

X. A limited partner shall not acquire or be entitled to any profits whatever until the time arrive, when (according to the terms of the contract) the profits or losses are to be ascertained, and it shall not be lawful for him to receive payment of such share of his profits until the amount thereof be posted to his credit in the books of the firm, which shall be posted up within one fortnight from the time appointed in the contract for ascertaining such profit or loss.

XI. The limited partner shall at all times be permitted to inspect the books, and on receiving money in respect of profits, he shall give a stamped receipt for the same.

XII. It shall be unlawful for the limited partner to take any part in the management of the business. He shall not have the signature of the firm, either directly or by procuration, neither shall he make any contract, or buy or sell on the part of the firm, nor engage or dismiss any servant thereof.

XIII. If it be proved that he has committed any such act or acts, he shall become liable to the creditors of the firm, as a partner, for double the sum registered.

XIV. If it be proved that he has repeatedly committed such acts, he shall be liable *in solido* to the whole extent of his property.

XV. In case of the death or insolvency of the acting partner, whereby the estate shall be wound up, or be administered by trustees, assignees in bankruptcy, or executors, the limited partner shall have right of proof, and rank as a creditor for such amount only as may justly stand at the credit of his account in excess of the sum registered, and which he may have been entitled to draw; and, after all other debts are discharged in reasonable time, he shall have a claim on the estate of the acting partner for the balance of the account due to him, provided there be any residue of such estate.

XVI. In case of the death or declared insolvency of the limited partner (in which event only shall he be empowered to part with his interest), his representatives shall not have any interest in the future profits and losses of the business, but his capital shall be determined to be the agreed balance at his credit at the last periodical settlement. That sum and interest thereon shall be payable to his representatives as specified in the Schedule, in equal instalments, or earlier by any special agreement with the said representatives made by the acting partner not sooner than two months after the death or declared insolvency of the limited partner.

XVII. Any increase in the amount of the registered capital of the limited partner, intended to be a permanent increase of capital and subject to the same law as the original advance, shall be certified by indorsement on the Schedule of contract and registered with the same formalities and on the same conditions, but without fresh advertisements; and partnerships shall be renewable without renewed fees, except the per centage fee for increased registered capital.

XVIII. It shall be unlawful for the limited partner to take any security for his registered capital as against the acting partner.

XIX. The name of the limited partner shall not be used in the firm, which shall sue and be sued in all Her Majesty's Courts of Law, solely in the name of the acting partner, and the acting partner only shall be liable to be made bankrupt in respect of the transactions of the firm.

XX. The dissolutions of all such firms shall be gazetted, when the names of all the partners, including limited partners, shall be inserted.

XXI. Any collusive act with the limited partner committed by the acting partner in contemplation of bankruptcy, whereby the interest of the general creditors may be damnified, shall be deemed an act of bankruptcy.

XXII. The registrar and his officers shall be appointed by the Crown, and shall be under the Board of Trade. It shall be his duty to issue from his office the blank forms, and to receive and file all certificates of and relating to mixed partnerships formed under this Act. He shall advertise them in Her Majesty's "Gazette" in the form given in Schedule C., and in the local newspapers as directed in Clause VII. It will be his duty to keep an alphabetical list, arranged under the vowels, and a second list comprising the registrations for each town. He shall afford all needful facilities to persons making inquiries and reply promptly to them, and especially to those which may be made by letter by furnishing a reflex of the partnership contract. He shall keep the office books in such a manner as shall most effectually conduce to the acquisition of statistical information upon all points comprehended by this Act, which information shall be annually laid before Parliament by Her Majesty's President of the Board of Trade.

App. No. 6.

SCHEDULE A.

No. (similar to Policies of Insurance). (Original.) (Duplicate.) (Triplicate.)

CONTRACT of a mixed partnership made this day of 1856, between

A. B. of
C. D. of } with unlimited liability.

and

E. F. of
G. H. of } dormant partners with liability limited to the amount hereafter specified.

To trade at under the style and firm of B. D. & Co.

1st. Amount of capital advanced by E. F.
Ditto ditto G. H.

2nd. The share of profits each limited partner is to receive and losses his capital is to be liable for.

3rd. Whether his capital be advanced in cash, stock, plant, or otherwise.

4th. The term of partnership *not to exceed ten years.*

5th. Whether interest (and if so, the rate) is or is not to be allowed on limited partners' capital.

6th. The periods of time when profits are to be ascertained, and how.

7th. Whether either or any of the parties hereto, and, if so, which shall have power to put an end to the partnership before the expiration of the agreed term. (*By consent, an arbitrator may determine.*)

8th. In case the limited partner's capital shall be reduced by losses or otherwise below the sum registered above, nevertheless, when subsequent profits are made, he shall be entitled to receive in money his share of such subsequent profits ;

or,

The said profits shall go to his credit in account in augmentation of his diminished capital.

9th. In case of the death or declared insolvency of the limited partner his capital shall be paid to his representatives by equal instalments, at

10th. Disputes between partners shall be settled by

The above are the terms of our partnership contract, which we hereby engage truly and faithfully to observe. Sign

A. B.
C. D.
E. F.
G. H.

Executed in triplicate at
of 1856, and sworn before me this day
Master Extraordinary in Chancery.

Attesting witness.
Solicitor.

(Hereon print Clauses XII. XIII. and XIV.)

SCHEDULE B. (with Illustration.)

A. B. of machine maker, trading under the firm A. B. & Co., on the 5th March 1866. Registered particulars of a mixed partnership.
(Sign) Registrar of Partnership.

SCHEDULE C. (for H. M. "Gazette"), with Illustration.

The undermentioned persons have registered the formation of a mixed partnership:—

5th March.—A. B., machine maker, of Nottingham.
„ G. F., draper, of Leicester.
6th March.—L. M. R. E., and F. Y., merchants, of Lime-street, London.
„ M. G., and S. H., cotton spinners, of Preston.
7th March.—M. L. and G. G., musical instrument makers, of the Strand.
„ C. F., farmer, of Broadlands, Herts.
„ D. S., schoolmistress of Hampstead.

The first draft of this Bill was submitted by Mr. John Howell to Her Majesty's Board of Trade on the 22nd of March last. It interferes infinitely less than Mr. Lowe's Bill with the existing law of the country; yet it is in reality more liberal than his measure, because it preserves intact the unlimited liability system, and simply brings into a fair competition with it the *en commandite* principle.

City, 17th April 1856.

Mr. Lowe's Partnership Bill, above referred to, was a short Bill, in these terms:

"The advance of capital or money to be used in any trade or undertaking, not being the trade of a banker, upon a contract with the person carrying on such trade or undertaking, that the person making such advance shall receive a share of the profits, or shall bear a share of the loss of the trade or undertaking, shall not of itself render the person making such advance liable to third parties as a partner in such trade or undertaking."

With a clause:

Providing that the remuneration of servants or agents, by a share of the profits, shall not be held to make them partners. This Bill was withdrawn, 15th July 1856.

Reprint, 8th April 1867.

Appendix, No. 7.

PAPER handed in by Mr. *Chaytor*, 7 May 1867.

App. No. 7.

Memorandum of Evidence by Mr. *Chaytor*.

Is of opinion, in the formation of companies limited, that—

The promoter or promoters should register memorandum of association.

The memorandum of association should contain—

1. A statement of the objects of the proposed company.
2. The capital to be raised.
3. The nominal value of the shares.
4. The sum, if any, to be paid promoters beyond money out of pocket.
5. A certificate of the value of any business or property to be taken over at such value, with the names of the valuers; or a statement that the value is afterwards to be fixed, and how.

The promoters should then be permitted to publish a prospectus, which should always include—

1. A copy of the memorandum of association.
2. A form of agreement in the application for shares that the applicant will become a shareholder on an allotment being made to him.
3. The amount of deposit, in no case less than one per cent., to be paid on each share applied for.

Every letter of allotment of shares should be accompanied by a copy of proposed articles of association.

No company should be established unless the whole of the shares are applied for and allotted.

When the whole of the shares of a company, whose operations are to be confined to the United Kingdom, are not applied for and allotted within three months, the registration should be cancelled. A longer time should be allowed where foreign countries or the colonies are included in the proposed field of operations.

The preliminary expenses should be paid out of the deposits, unless in the prospectus the promoters agree to pay them, and the promoters should be liable for any deficiency not covered by the deposits when they do not so agree.

A meeting of the allottees should be called within one month after the allotment of shares, to elect directors, and to fix their remuneration.

At this meeting the articles of association should also be considered, and if agreed to by a resolution of three-fourths of the allottees present in person, or by proxy, should be binding on the whole, subject to appeal of dissentients by summons, before any of Her Majesty's Judges in Equity, whose decision as to any alteration necessary to make the articles consistent with the memorandum of association should be final.

The directors should have power to make calls, and enforce payment of them.

The value, as finally fixed, of any property or business to be taken over by a company, should be held to be equivalent to money paid on calls.

No company should be permitted to commence business until the registrar has certified that the above requirements have been complied with, that the share list is in order, and that 25 per cent. at least of the capital has been paid up.

In the operation of companies limited, that—

No power should be given to alter that part of the memorandum of association which sets forth the objects of the company.

Power should be given to increase capital indefinitely by special resolution, as in existing Act.

Power should be given by special resolution to reduce the capital.

Rights of existing creditors should be protected, and no resolution to reduce capital should take effect, as regards the public, until three months' notice has been given by advertisement.

Notice to reduce should be inserted in "London Gazette," and three other papers, to be selected by the registrar once at least in each of the three months.

Power should be given, by special resolution, to alter the nominal value of the shares, and the articles of association, consistently with the memorandum.

Transfers of shares should be in duplicate, and should be registered on the production of either part.

When the shares are not paid up in full, the directors should have the power, subject to an appeal to a court of equity, to refuse to transfer, but should immediately give notice of the refusal to both parties to the deed of transfer.

The directors should not have power to purchase the shares of a company with its own capital.

No company should be permitted to continue its operations if at least 50 per cent. of its capital is not paid up within two years of the time of receiving its certificate from the registrar.

Every shareholder should be liable absolutely

n each share he may hold, for three months after he registration of a transfer from his name.

The liability of the directors should be limited ike that of the shareholders.

The borrowing powers of a company should depend on its nature and objects.

In the winding-up of companies limited, that—

Winding-up by the Court of Chancery should be abolished.

Liquidations should be of two kinds, compulsory and voluntary, with power in both cases to apply to the court for directions.

Compulsory winding-up should take place when a company is unable to meet its engagements.

The preliminary proceedings should be similar to a summons in bankruptcy.

The vacation judge should be bound at all times to take liquidation cases.

On an order being made to wind up, the court should fix an early day for creditors to come in and prove their debts.

The creditors should choose a liquidator or liquidators, and determine the remuneration for their services, which should be paid out of the estate; the court having power of revision at the instance of the shareholders.

The votes of the creditors in the choice of liquidators should be in proportion to the amount of debt proved.

The liquidators should have control over the estate until the debts are discharged.

They should keep memoranda or minutes of proceedings. App. No. 7.

The shareholders should have power to appoint a representative, who should be permitted to inspect minutes of liquidators, to invoke the interference of the court if necessary, and to take charge of any surplus of the estate which may remain when the claims of the creditors are satisfied.

The whole of the uncalled capital should be due and payable on an order to wind up being made.

The persons whose names are upon the Register at the date of the winding-up order should be the contributories, except where a transfer has been sent in for registration, and the directors have no valid objection.

Where any contributory is unable to pay the calls upon any share, recourse should at once be had to each holder, in succession, of that share for three months preceding the order to wind-up, and without first exhausting the holders of all the other shares.

No individual shareholder should have power to initiate a winding-up, and it should only take place voluntarily, when agreed to by a special resolution, and it should be by the persons and under the regulations and conditions then decided on.

A compulsory should at once supersede a voluntary liquidation on a failure to meet engagements with creditors.

Agreements should be permitted between creditors and a company, for the latter to wind up under deed of inspection.

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4. *Immense Business of some Firms in Liquidation:*

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R.

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7. *Question of Unlimited Companies having the Power of Reduction:*

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REPORT

FROM THE

SELECT COMMITTEE

ON

PARIS EXHIBITION;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
11 *July* 1867.

Thursday, 20*th June* 1867.

Ordered, THAT a Select Committee be appointed to consider and Report on the advisability of making purchases from the Paris Exhibition, for the benefit of the Schools of Science and Art in the United Kingdom, and any other means of making that Exhibition useful to the manufacturing industry of Great Britain and Ireland.

Friday, 21*st June* 1867.

Select Committee nominated of,—

Lord Elcho.	Mr. Beresford Hope.
Lord Robert Montagu.	Mr. Henry Seymour.
Mr. Childers.	Sir Philip Egerton.
Mr. Hunt.	Mr. Otway.
Mr. Cavendish Bentinck.	Mr. William Cowper.
Mr. Gregory.	Colonel Hogg.
Mr. Bruce.	Mr. Ayrton.
Mr. Locke.	Mr. Layard.

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Ordered, THAT Five be the Quorum of the Committee.

Tuesday, 25*th June* 1867.

Ordered, THAT the Select Committee on the Paris Exhibition do consist of Seventeen Members.

Ordered, THAT Mr. *Edmund Potter* be added to the Committee.

Friday, 28*th June* 1867.

Ordered, THAT the Select Committee on the Paris Exhibition do consist of Eighteen Members.

Ordered, THAT Mr. *Marsh* be added to the Committee.

Thursday, 11*th July* 1867.

Ordered, THAT the Committee have power to report their Observations, together with the Minutes of Evidence taken before them, to The House.

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REPORT.

THE SELECT COMMITTEE appointed to consider and report on the advisability of making PURCHASES from the PARIS EXHIBITION for the benefit of the SCHOOLS of SCIENCE and ART in the UNITED KINGDOM, and any other Means of making that Exhibition useful to the Manufacturing Industry of *Great Britain* and *Ireland*; —— HAVE considered the matters to them referred, and agreed to the following REPORT:—

1. THEY are of opinion that it is desirable that purchases should be made at the Paris Exhibition, of objects of art and science, especially of such as illustrate modern scientific inventions and discoveries, and the application of art to manufactures, and that the exhibition of such objects in the Museum of South Kensington, and, by circulation, in local museums in different parts of the United Kingdom, would be useful to the manufacturing industry of the country, and for the artistic and scientific instruction of the schools in connection with the Science and Art Department.

2. That, as one of the principal objects of such purchases should be to show the progress made by other nations in manufactures, and in the application of art and science to practical purposes, examples of foreign origin should, in the first place, be secured in preference to those of British production.

3. That, it is not desirable that pictures and modern statuary sculpture should be purchased.

4. That considering the importance of such purchases to the development of the manufactures and trade of the United Kingdom, they recommend that a liberal grant be asked from Parliament for the purpose of making them. They have not sufficient data before them to enable them to suggest the sum which might be advantageously expended, but they consider that under no circumstances should it exceed 25,000 *l.*

5. Lastly, they are of opinion that no objects should be purchased at the Paris Exhibition, except such as shall be recommended by a commission consisting of gentlemen, distinguished for their artistic and scientific attainments, who should consult with the two Art Referees attached to the Department of Science and Art, and other competent persons. They further think it desirable that the Referees should furnish written reports upon the objects recommended by them for purchase.

PROCEEDINGS OF THE COMMITTEE.

Tuesday, 25th June 1867.

MEMBERS PRESENT:

Mr. Layard.	Mr. C. Bentinck.
Mr. W. Cowper.	Mr. Locke.
Colonel Hogg.	Sir Philip Egerton.
Mr. Beresford Hope.	

Mr. LAYARD was called to the Chair.

The Committee deliberated.

[Adjourned to Friday next, at Eleven o'clock.

Friday, 28th June 1867.

MEMBERS PRESENT:

Mr. LAYARD in the Chair.

Mr. Edmund Potter.	Mr. W. Cowper.
Mr. Gregory.	Mr. Otway.
Mr. Beresford Hope.	Mr. Bentinck.
Mr. Ayrton.	Mr. Henry Seymour.
Mr. Locke.	Colonel Hogg.

Mr. *Richard Redgrave*, Mr. *John Webb*, Captain *Donelly*, Mr. *C. F. Hayward*, and Mr. *A. W. Franks* were severally examined.

[Adjourned to Tuesday, 9th July, at Half-past Eleven o'clock.

Tuesday, 9th July 1867.

MEMBERS PRESENT:

Mr. LAYARD in the Chair.

Mr. Gregory.	Mr. Bentinck.
Mr. Marsh.	Mr. Bruce.
Mr. Beresford Hope.	Colonel Hogg.
Sir Philip Egerton.	Mr. Otway.
Mr. Ayrton.	Mr. Henry Seymour.
Mr. Locke.	Mr. Potter.

Professor *Huxley*, Mr. *Robinson*, Mr. *James Fergusson*, and Mr. *Cole*, were severally examined.

The Committee deliberated.

[Adjourned to Thursday next, at Eleven o'clock.

Thursday, 11*th July* 1867.

MEMBERS PRESENT:

Mr. LAYARD in the Chair.

Mr. Beresford Hope.	Mr. Bentinck.
Mr. Ayrton.	Mr. W. Cowper.
Sir Philip Egerton.	Mr. Marsh.
Mr. Gregory.	Mr. H. Seymour.
Colonel Hogg.	

DRAFT REPORT proposed by the *Chairman*, read the first time, as follows:

The Select Committee appointed to consider and report on the advisability of making purchases from the Paris Exhibition for the benefit of the Schools of Science and Art in the United Kingdom, and any other means of making that Exhibition useful to the manufacturing industry of Great Britain and Ireland, have considered the matters to them referred, and agreed to the following Report:

"1. They are of opinion that it is desirable that purchases should be made at the Paris Exhibition of objects of art and science, especially of such as illustrate the application of art to manufactures, and modern scientific inventions and discoveries, and that the exhibition of such objects in the Museum of South Kensington, and, by circulation, in local museums in different parts of the United Kingdom, would be useful to the manufacturing industry of the country, and for the artistic and scientific instruction of the schools in connection with the Science and Art Department.

"2. That, as one of the principal objects of such purchases should be to show the progress made by other nations in manufactures, and in the application of art and science to practical purposes, examples of foreign origin should, in the first place, be secured in preference to those of British production.

"3. That, whilst they do not recommend that works of art of value and interest, should be excluded from purchase, they are of opinion that it is not desirable that pictures and modern statuary sculpture should be included amongst them.

"4. That considering the importance of such purchases to the development of the manufactures and trade of the United Kingdom, they recommend that a liberal grant be asked from Parliament for the purpose of making them. They have not sufficient data before them to enable them to suggest the sum which might be advantageously expended, but they consider that under no circumstances should it exceed 50,000*l.*

"5. Lastly, they are of opinion that the selection of objects to be purchased at the Paris Exhibition, should be confided to a commission consisting of gentlemen, who should consult, and be guided by the advice of, the two Art Referees attached to the Department of Science and Art, and other competent persons. They further think it desirable that the Referees should furnish written reports upon the objects recommended by them for purchase.

Draft Report, proposed by the Chairman, read a second time, paragraph by paragraph.

Paragraph 1.—Amendment proposed, to leave out the words "and modern scientific inventions and discoveries"—(Mr. *Ayrton*).—Question put, That those words stand part of the paragraph.—The Committee divided:

Ayes, 5.	Noes, 2.
Mr. Gregory.	Mr. Ayrton.
Mr. Beresford Hope.	Mr. Bentinck.
Mr. W. Cowper.	
Sir Philip Egerton.	
Colonel Hogg.	

An Amendment made.—Paragraph, as amended, *agreed to.*

Paragraph 2, *agreed to.*

Paragraph 3, amended, and *agreed to.*

Paragraph 4.—Amendment proposed, to leave out, "50,000*l.*" at the end of the paragraph, in order to add "12,000*l.*"—(Mr. *Ayrton*)—instead thereof.—Question, That "50,000*l.*" stand part of the paragraph,—put, and *negatived.*

Question put, "That 12,000 *l.* be there added."—The Committee divided:

Ayes, 4.	Noes, 4.
Mr. Ayrton.	Mr. Gregory.
Mr. Bentinck.	Mr. Beresford Hope.
Sir Philip Egerton.	Mr. W. Cowper.
Mr. Marsh.	Colonel Hogg.

Whereupon the Chairman declared himself with the Noes.

Another amendment proposed, to add, "15,000 *l.*" at the end of the paragraph—(Mr. *Bentinck*).—Question put, That "15,000 *l.*" be there added.—The Committee divided:

Ayes, 4.	Noes, 4.
Mr. Ayrton.	Mr. Gregory.
Mr. Bentinck.	Mr. Beresford Hope.
Sir Philip Egerton.	Mr. W. Cowper.
Mr. Marsh.	Colonel Hogg.

Whereupon the Chairman declared himself with the Noes.

Another amendment proposed, to add, "25,000 *l.*" at the end of the paragraph—(Mr. *Gregory*).—Question put, That "25,000 *l.*" be there added.—The Committee divided:

Ayes, 6.	Noes, 2.
Mr. Gregory.	Mr. Bentinck.
Mr. Beresford Hope.	Mr. Ayrton.
Sir Philip Egerton.	
Mr. W. Cowper.	
Colonel Hogg.	
Mr. Marsh.	

Paragraph, as amended, *agreed to.*

Paragraph 5, amended, and *agreed to.*

Question, "That this Report, as amended, be the Report of the Committee to the House"—put, and *agreed to.*

Ordered, to Report, together with the Minutes of Evidence.

MINUTES OF EVIDENCE.

LIST OF WITNESSES.

Friday, 28*th June* 1867.

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MINUTES OF EVIDENCE.

Friday, 28*th June* 1867.

MEMBERS PRESENT:

Mr. Ayrton.
Mr. Bentinck.
Mr. Cowper.
Mr. Gregory.
Mr. Beresford Hope.
Colonel Hogg.
Mr. Layard.
Mr. Locke.
Mr. Otway.
Mr. Edmund Potter.
Mr. Henry Seymour.

AUSTEN HENRY LAYARD, Esq., IN THE CHAIR.

RICHARD REDGRAVE, Esq., R.A., called in; and Examined.

R. Redgrave, Esq., R.A.

28 June 1867.

1. *Chairman.*] WILL you be good enough to inform the Committee what Office you hold in South Kensington?—At present I hold the Office of Inspector General for Art, and am one of the Art Referees.

2. Had you previously been connected with any such Exhibition as that one now open at Paris?—I have been connected, in some degree, with every one of the International Exhibitions. In 1851 I was head master of the School of Design, and was called upon to make a report which should run over the whole exhibition, of the objects which displayed taste and art in design, or the reports of the Great Exhibition of 1851.

3. Who were your co-Commissioners at that time?—At that time, with regard to this Report, I had no one with me; but Parliament voted a sum of 5,000*l.* for purchases to be made from the Great Exhibition, and associated with me the late Mr. Pugin, Mr. Owen Jones, and Mr. Cole. We made the selections for those 5,000*l.*

4. Was not Mr. Herbert a member of it?—Mr. Herbert was not a member of the Commission.

5. Did you make a report in favour of purchases by that Exhibition?—There was a report made to the Board of Trade, I believe, but I am not quite cognisant of the form of it, under which the department then was; and the purchases being sanctioned by the Board of Trade, were then bought, and formed the nucleus really of the South Kensington Museum. At that time, at the Schools of Art, there might be a dozen or twenty objects of art; objects from Sevres, and a few pieces of goldsmiths' work, and a few tissues; but I do not think that they amounted to thirty articles altogether. With the purchases in 1851, they were then moved to Marlborough House, and a museum was opened there; and I think, in the first year of our being in Marlborough House, the museum was visited by 216,146 visitors throughout the year.

6. At that time the South Kensington Museum was not founded?—At that time there was no such place as the South Kensington Museum. We did not remove to South Kensington until the year 1857; but the beginning of what is now the South Kensington Museum was in Marlborough House, where the exhibition was first opened.

7. I understand you to say, that the purchases which you made at that Exhibition formed the groundwork of the present South Kensington Museum?—Undoubtedly. There was no sort of museum before that, except the objects which were in cases at the School of Design.

8. What money was expended at that time?—£. 5,000.

9. Were any purchases afterwards made at the Exhibition in Paris, I think in 1855, and in the Exhibition in London in 1862, or in other Exhibitions?—In 1855, or about that period, the Bernal Collection came into the market. It was a very remarkable collection, and it was offered, in its entirety, to the Government for a certain sum; but that was refused.

10. Mr. *Ayrton.*] How much was required?—I think 50,000*l.*, but I am not quite clear upon that, but whatever the sum was, it was refused by the Government; and the Chancellor of the Exchequer then permitted the sum of 12,000*l.* to be expended on objects from the Bernal Collection, to increase the museum, which had grown, by grants from Parliament, in the interim.

11. *Chairman.*] Who was the Chancellor of the Exchequer?—I think Mr. Gladstone; he tied up the purchase in a manner which rendered it very

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very difficult to buy anything; for instance, as far as I recollect, he desired that a list of every article we proposed to purchase should be sent in, with the price we proposed to give for it; and we were not allowed to exceed that price; and if we did not buy the article, we could not spend the money; therefore, at the end of the sale, I think only about two-thirds (8,583 *l.* 13 *s.* 6 *d.*) of the 12,000 *l.* were expended; the remainder of the sum the Treasury allowed us to spend in Paris, and it was expended in the purchase of objects at the Paris Exhibition of 1855 by Mr. Cole and myself principally; and Parliament sanctioned it in the ensuing year.

12. Mr. *Beresford Hope.*] Sir George Lewis became Chancellor of the Exchequer in February 1855?—I know it was Mr. Gladstone who determined the way in which the purchases should be made.

13. *Chairman.*] May I ask you at that time who made the selection, and recommended the purchases?—Mr. Robinson and myself went over these things, in company with Mr. Webb. Mr. Robinson chiefly purchased at the sales, but he was necessarily guided by this rule of purchase, and we lost all those things which we wanted most.

14. Was the limit of prices known beyond yourselves, or was it strictly private?—It was only known to us.

15. Do you think that it was a good principle to fix the price of the article?—I think it was a very bad principle; of course it was done to enable us to know what sum should control us for the purchase.

16. In the Paris Exhibition were purchases made with the remainder of the money?—The remainder of the sum of 12,000 *l.* was spent in purchases from Paris: goldsmiths' work, and furniture, and china, and so on.

17. From the Exhibition?—Yes, from the Exhibition.

18. Were any purchases made in 1862 at the English Exhibition?—In 1862 the sum of 5,000 *l.* was again expended, and Mr. Robinson, who was then the superintendent of the museum, and myself, as art superintendent, were charged with the selection of the objects; of course getting any other advice which we found necessary.

19. At that time no limit was placed upon the price of any article?—I beg you will not misunderstand me; there were no limits in the Paris Exhibition purchases; that only referred to the Bernal Collection.

20. Have you been to the present Paris Exhibition?—I have.

21. Did you examine the Exhibition in Paris with a view to recommend purchases to be made?—I believe I was named in company with a number of other gentlemen, of whom I think you were one, to examine the Exhibition, with a view to purchases; but as my stay there was very short, I have not very largely looked into it. I have a list of things which would be very suitable for purchases; I will hand it in for the Committee to see. (*The same was handed in.*)

22. Have you submitted that to the head of the department?—No, I have not; I can make out a more perfect list. I am ready to submit a list, even before going again to Paris, of certain articles which it would be desirable to procure; but of course one would have searched the Exhibition much more carefully, if you knew that a sum was going to be expended. As it is, I am sure that 10,000 *l.* or 12,000 *l.* might be laid out with very great advantage.

23. You have seen enough of the Exhibition to enable you to form an opinion as to the advisability of making purchases there?—Undoubtedly; I think it will be of very great value to make considerable purchases in the Exhibition, not only on the art side, but on the science side. My attention has been called to one or two objects connected with science, which I think would be highly desirable for the schools, such as the Darmstadt models.

24. You, of course, intended to communicate that list to the persons who would have to make the purchases?—I should revise it on seeing Paris again, if I was there, to determine exactly what I would advise; this is merely a list for my own personal guidance.

25. Do you know that Mr. Cole has prepared a document containing recommendations from various persons with reference to purchases?—I was not aware of it.

26. Should you recommend the purchase of paintings, and drawings, and lithographs?—I recommended to Mr. Cole that a few paintings should be purchased. There is an idea that the French mode of painting is superior to ours. I do not think so myself; but I think it desirable that we should circulate a few French examples of painting.

27. I understand you to say, therefore, that you would recommend the purchase of paintings, not with regard to their merits as works of art, but as regards the technical work; is that so?—It is out of my province to recommend paintings as works of art; that comes to the National Gallery; but I think that it would be highly advisable that there should be a modern school of foreign art in the National Gallery, as well as the modern school of English art now at South Kensington.

28. You do not think that the National Gallery would be going beyond its province by purchasing pictures by modern masters?—No. I have already said what I did think.

29. If you buy such works as you have mentioned, without reference to their character or merits as works of art, would you not run the risk of doing more harm than good by circulating them?—Certainly, if you bought works of art, which were not good in execution; but I need not go for a thousand guinea picture when I can get one for fifty, or a hundred guineas; I can get many a good landscape to show their best method, and by their best men, for a small sum.

30. You would extend the purchase of objects of art for South Kensington, without reference to manufacture; but with reference to their being works of art?—I think we are now required to do another work without reference to manufacture; we are required to supply a large quantity of art for the circulation of objects of art in the country, and I should say that in 1864, or 1865, a minute was passed by the Board to encourage and increase the circulation of objects in the provinces, and that has been very largely availed of. In 1865, there were six Exhibitions in the provinces connected with the South Kensington Museum, under those new minutes for circulation, and there were 2,536 objects circulated and 3,346 paintings, chromo-lithographs, photographs, &c., which were highly valued. There were 359,000 visitors who attended these Exhibitions, and 8,777 *l.* was received from them which

which did not come to South Kensington, but was for the benefit of local art education, and for the foundation of schools.

31. Do you remember in what places those Exhibitions took place?—I do not remember that; but I can send you a list of all those places. Again in 1866, there were 11 Exhibitions, and the objects circulated were very numerous; the number of visitors attending was 954,717, the receipts being 15,784 *l.*, though in respect of some of those 11 Exhibitions no report has yet reached us, and two exhibitions were wholly free (I think at Bolton and some other place in the country); yet they realised 15,784 *l.* to the various localities in aid of the local art teaching, whether by museums, or by schools; and, of course, all this adds very largely to the revenue of the provincial schools, and is a great source of information to them.

32. Under what authority are these admission fees raised and distributed?—The authority is local; they make an application to the Board, and the Board passes a minute for the circulation being permitted, and the terms and regulations being adopted which have been proposed by the various localities.

33. I understand you to say that South Kensington furnishes the objects for exhibition, and the local authorities are entitled to take a fee?—Yes, considering that the fees are applied to some purpose of which the Board approves.

34. Mr. *Potter.*] Do the South Kensington articles form the whole of the exhibitions, or only a part?—Very often only a part; sometimes almost the whole.

35. *Chairman.*] You think it desirable that these objects should be circulated on loan, rather than be given to local collections and museums in connection with the Department of Science and Art?—It is very much more desirable, because they get new objects. If a small exhibition is in a town for some time, the town gets tired of it, and wishes new things, they are then sent back to the South Kensington Museum, or they go somewhere where they are a perfect novelty.

36. Can you speak from your experience with reference to the result and effect of these local exhibitions as regards manufacture and public taste?—The effect of these exhibitions upon public taste is so very slow that you cannot point to any immediate effects; but, speaking of the South Kensington Museum, I am quite sure I can see very strong effects arising from it; and therefore, I have no doubt that the objects which go from the South Kensington Museum must locally have a good effect; and that if we sent fine examples of Oriental tissues to Macclesfield or Glasgow, it would improve the taste of Macclesfield or Glasgow.

37. Have you sent any of those objects at the request of any of the leading manufacturers?—The leading manufacturers are supposed to be connected with the schools of art, and it is through them that we send the things.

38. Have you ever heard from them as to the effects of sending those objects of art?—I can instance Nottingham, where the mayor and two or three influential manufacturers have told me that the town almost entirely owes its taste and its present status as to the lace manufacture, to our art schools and exhibitions.

39. Do you not think it is very desirable, in order to show the different manufacturers in England the progress which has been made on the Continent, that objects should be bought at the Paris Exhibition, which are exhibited by different countries?—Certainly.

40. For instance, glass, or tissues, or porcelain?—I cannot doubt that the best objects of Sèvres, would be of considerable value in the china districts; we always endeavour to send objects suitable to the town where they are exhibited; for example, we send jewellery and ironwork to Birmingham, we should be less desirous of sending pottery there.

41. During your visit to Paris, had you any opportunity of judging as regards the progress made by different nations, relatively to ourselves in manufactures?—I have hardly considered the exhibition in that light; but I have a strong feeling that, not only our own taste has very much altered, but that the French taste has very much assimilated itself to ours; there is a quietness and a repose that shows a marked change in French taste.

42. You think there is an improvement in the French taste?—I think there is an improvement in the taste of all nations exhibiting in these exhibitions.

43. Do you mean in form and design or in workmanship?——Certainly in design, and the adaptation of design to utility.

44. Do you think we show greater progress than the French, or any other nation, during the last 10 years?—It is a difficult thing to say that, from my slight examination; but I do say that I think some of our objects of furniture beat anything in France. I cannot help saying that our manufacturers are largely aided by the French workman here; but the French workman is under the control of the English manufacturer's taste. Such pieces as that of Wright and Mansfield, for example. That is one of the finest objects in the Exhibition.

45. Is it not the fact that some of the finest things exhibited by English manufacturers are designed by foreign workmen?—Very likely, but controlled by English taste.

46. Do you happen to know whether any other nation has made purchases in the Paris Exhibition?—I cannot say, of my own knowledge; I only know it by hearsay.

47. With reference to the sum which you think might be reasonably expended on purchases, can you give an idea of what you would think a proper sum?—I should be very glad to see 10,000 *l.* or 12,000 *l.* spent at Paris. I may contrast, perhaps, the state of our schools and doings in 1851, when the 5,000 *l.* was voted by Parliament, with the state of things now. In 1851 we had only 17 art schools in the provinces, and one central school, and, I think, there were 5,700 students in all the schools. We have now 103 art schools; we have 32 night schools, which are a new creation of last year, for workmen, after hours, where an elementary teaching is carried on; we have 560 schools for the poor, in connection with the department. The number of students in the schools of art was 24,283 in 1866; the number in the night schools was 1,140; and the number of students in schools for the poor was 80,084. I have already said how largely our circulation has increased. If at that time we wanted 5,000 *l.*, I should think that 10,000 *l.* or 12,000 *l.* would be inadequate for what we are doing at present; because I may also add that there are affiliated to us a large museum in Scotland, created wholly since 1855, and a museum in Ireland; and there are the

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science schools, which Captain Donnelly will speak of better than myself.

48. Are you of opinion that 12,000 *l.* would be sufficient to make purchases for all the department of the South Kensington Museum, including science and art?—It is all I should dare to propose.

49. You think that a larger sum might be spent?—I think that a larger sum might be spent advantageously.

50. Mr. *Beresford Hope.*] Is that catalogue that you passed round a list of the objects which you consider absolutely best to purchase, or are they the objects which you think best in your own department?—They are the best in my own department. I should say that the list is very insufficient; I made it out from rough notes hastily, and I could mention other works such as Hart's candelabra. I have not touched science a bit, in which I think there might be very large purchases, and I have not touched the section in which you are personally interested. I have one or two objects of mediæval or architectural art in my list, but I have not taken them generally. I was called upon to report upon objects which I thought suitable from my point of view. Mr. Cole has made his list; I have not seen it, nor transmitted any list to Mr. Cole whatever.

51. *Chairman.*] This is only a list collected by various people?—I have not sent in any list.

52. Mr. *Beresford Hope.*] You were just raising the question of purchasing paintings; have you considered it in this point of view, that there would be only a limited sum to be spent; that paintings by living artists all over the world bear a price disproportionately high, as compared with other art productions; would not purchasing a few pictures run our Exchequer very dry?—I think if I had a few thousands I could lay it out upon judicious purchases, which I would take upon my own responsibility afterwards: 1,000 *l.* is not a very large sum out of 12,000 *l.*

53. Do you only propose 1,000 *l.*?—I think with 1,000 *l.* I could do as much as I want.

54. Could you buy several foreign pictures of eminent artists with that sum?—As many as I think would be necessary to show the mode of painting.

55. Then foreign artists do not appraise their pictures so highly as we do?—It would not be necessary to purchase high priced pictures.

56. But would it be fair to a country, in purchasing only a few pictures, to purchase small and cheap ones as examples of its art?—I propose to buy them as showing the methods of French execution, the mode in which a Frenchman treats his art, and if I wanted a picture of some French landscape painter, I could take a small work which would show me his treatment as well as the largest; it is not to show a *chef-d'œuvre* of art, that is a question for the Directors of the National Gallery.

57. But would you, to show specimens of furniture or metal-work, buy small and cheap articles?—No; but the mode of execution of a French painting is the question.

58. I will not go into that point any further; are we to understand this; that you consider that for a small sum of money pictures could be bought sufficiently good to show the method of French execution, without giving a wrong idea of French art?—Yes, that is my opinion.

59. You were just talking of provincial exhibitions; do you consider that the selection of objects which you make from the South Kensington Museum is such as to give a good idea of art in its highest branches?—Not the best, of course, because we cannot spare the best works; but by means of electrotypes, casts, and photographs, and coloured repetitions, we give them the best chance that they can have.

60. Do you consider that these objects are selected with the view of teaching or of pleasing the provincials?—We must do a little for both.

61. I asked the question, because in the only exhibition with which I was ever mixed up, the feeling was, that it was somewhat pleasant; but that it was a very second-rate collection, as far as art was concerned?—No doubt; we do not send our noblest objects out. We were permitted by the Emperor Napoleon to copy, in photograph, all the best works in the Louvre, and they were coloured by artists at the time, so as to be the nearest representations of the objects themselves; they are very valuable to us at the South Kensington Museum, and they will be equally valuable to send to the provinces.

62. Would you see your way to exhibit in the provinces comparatively cheaply by photographs and electrotypes, and so on, to create a permanent museum?—Yes, certainly.

63. Which do you think would be most advantageous, loan exhibitions, or permanent museums of that class?—Loan museums, no doubt.

64. But founded on the permanent local exhibition?—Founded on the permanent exhibition, if you please; there is no doubt that the objects themselves are much finer than the reproduction; but if you cannot give them one thing, you must give them another.

65. You would purchase these things in France, partly to deposit them in the South Kensington Museum, and partly to be able to circulate them in the country to teach the English people what foreign industrial art is?—Exactly.

66. They would be partly artistic and partly scientific objects?—As far as I should recommend, the selection should be artistic; but the science sides will speak for themselves.

67. Mr. *Gregory.*] With reference to this subject of painting; when you once begin purchasing foreign paintings, where will you stop; do you mean to confine your acquisitions to landscapes, or go on to *tableaux de genre*?—If I were sent to purchase, I should try to buy a couple of each of the type-styles of French art.

68. Would you make the purchase of pictures a part of the regular system?—No; there would be no funds to do it; this proposal is only as to the French Exhibition.

69. Do you think you could get there a class of picture for 40 *l.* or 50 *l.*, to serve as types for the teaching of the country, which it would be better to set before the students than the works of ancient masters?—You cannot get works of ancient masters; of course if you can, they are more valuable, but owners will not allow them to be in the schools for copying; they are not allowed to be copied.

70. Then these cheap paintings which you propose to buy, are for the sake of being copies?—Being copies and for the examination of the students. I should think that if I were to take half a dozen works, I might get them from 150 *l.* to 200 *l.* a piece, and get a very good work by a good master. I could not, of course, go in for the largest and finest works of the school.

71. Would

71. Would you confine your purchases solely to the French school?—I think so, because the Continental schools are ruled by the French. There are in Belgium excellent works, with a more solid method, and a lower tone and treatment than with us; the palate reserved very much. We paint on too light a scale; it would be to exemplify the difference between the schools.

72. You have, of course, visited those pictures that are annually exhibited here, at the French Exhibition?—Yes, and also the annual Exhibition at Paris.

73. Have you looked at the prices?—I have indeed, and I know they are enormous.

74. Do you think that you could get anything of much merit for 40*l.* or 50*l.*?—I am speaking of 150*l.* to 200*l.*

75. Will you inform me of the date of the appointment of the art referees?—I am sorry to say that I have not that in my mind at the present moment; but I have always held the post of art referee in the sense of art referee as to purchases since my appointment as superintendent. I believe that the art refereeship, so far as it relates to Mr. Robinson and myself, was settled in Mr. Lowe's time; I have not the date of it.

76. I wanted to know the date, because I wanted to get at the proceedings before the Exhibition of 1851?—Mr. Robinson informs me that it was the 17th of April 1863.

77. You spoke lately of your own department; is there any distinction between the functions of the two art referees?—By that minute which Mr. Robinson quotes to me, I presume that the distinction is, that Mr. Robinson takes a certain portion of art, and that I take another certain portion of art.

78. Will you be good enough to define what you consider your portion?—My department is Painting and Sculpture, and Modern Art since 1750, I think. I believe it does not extend to anything connected with art manufactures since that time.

79. When you speak of objects of modern art being in your branch, would that include iron-work and wood-work?—No, not as a rule.

80. I understood you to state, that there were purchases made in 1851, from the Exhibition; who selected those?—Mr. Pugin, Mr. Owen Jones, Mr. Cole, and myself.

81. There was a committee appointed for the purpose, was there not?—There was a committee appointed.

82. Who selected the objects of art in 1855?—Mr. Cole and myself, principally.

83. Who selected them in 1862?—Mr. Robinson and myself.

84. Was everything which was purchased at that time sanctioned by Mr. Robinson and yourself?—Mr. Robinson was not art referee in 1862; the minute is 1863, he says.

85. But was everything which was purchased in 1862 sanctioned by Mr. Robinson and yourself?—I am not quite sure; it was not necessary to be so; if sanctioned by the Board, it was quite sufficient at that time.

86. I want to know, since 1863 is it distinctly understood that everything that is purchased in the way of art shall be referred to the art referees, according to their several duties?—As I understand, the Board can appoint anyone, whether art referees or not, to give them an opinion; by a minute of the Board, they can do anything they please.

87. They may call upon anyone to give them an opinion?—To give them an opinion, and they can act upon that opinion if they please.

88. They can act upon that opinion without the sanction of the art referees, or against their sanction, can they not?—Certainly; the Board is not bound by the opinion of the art referees, or the opinion of the Inspector General of Art.

89. Who constitute the Board?—The Lord President and the Vice-President.

90. Have any objects ever been purchased sanctioned by the Lord President and Vice-President, which have not been approved of by the art referees?—Not to my knowledge; both the referees and others have had imprests from the Board to spend money, and in such a case the Board gives them authority to do it.

91. That is when they are travelling?—Yes.

92. Is it not generally understood that everything in the shape of an object of art which is purchased shall be left to the art referees?—No, I do not understand it so; if the art referee is abroad, the Board may propose that even the recommendation may come from the chief clerk, by that minute.

93. The chief clerk therefore would be enabled to lay out a large sum of money upon a work of art?—No, the Board would restrain him.

94. And you are of opinion that a fluctuating President and Vice-President are the proper persons to purchase?—There is always myself, or some person of experience, to attend the Board; and, upon my opinion, the Board would act; they would refer the art referee's report to me; if I said it was not a desirable purchase they would take their own judgment, and either accept mine, or accept the referee's over me, as they have done in various cases.

95. They have done so in various cases?—Yes, no doubt; I cannot give instances of that; but sometimes Mr. Robinson's opinion might be thought a better one than that of the Inspector General for Art.

96. Do you consider it advisable that a number of gentlemen who may not be presumed to have any particular opinion upon art, should be allowed to purchase objects without any rule being laid down?—The Inspector General is presumed to be always at the Board, and the purchases are under his inspection; I have held the office since 1851; my constant duties are at the Board, and the Board refers all questions to me.

97. Therefore those purchases that I have been referring to are not made without the sanction of some competent person?—Certainly not.

98. There was a bronze bust of "The Gorgon," last year, by an Italian lady, at the South Kensington Museum?—There was.

99. Did you recommend that?—I did; it is in my province.

100. You specially recommended it?—I did.

101. A few years ago, there was some purchase of objects made in Germany which purported to be objects of ancient art?—There was.

102. Were they bought by Mr. Cole?—They were.

103. You sanctioned them?—I did.

104. And are responsible for the labels that were put upon them?—Yes.

105. I may distinctly take it from you that it is your opinion, from your experience, that objects are bought occasionally by the Board without being referred to either of the art referees; do I understand that?—I cannot charge my

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memory with it at this present time; but if a person who is travelling has an imprest from the Board to purchase articles, the art referees can neither of them have any control over that imprest.

106. When you say a person is travelling with an imprest, whom do you call a person?—It may be any traveller presumed to have competent knowledge; I believe there have been instances where gentlemen going abroad have had commissions to purchase certain things for the department; I wish to answer your question exactly, but I have not the materials to enable me to do so.

107. I think we are getting to a very important question; what gentlemen travel and receive an imprest?—I think that on one occasion there was a commission given to some one on the coast of Africa to buy some rude objects of the country, and send them over.

108. Do you know who that gentleman was?—No, I do not; but I can get the information for you.

109. Does the secretary ever travel and take an imprest with him?—Not as a rule.

110. But does he occasionally?—Yes; but I do not think he has done so without assistance.

111. That of yourself or Mr. Robinson?—I think that Mr. Robinson has not travelled with him.

112. As far as I can make out, there really is no fixed rule whatever in the South Kensington Museum that there should be certain persons who can check the expenditure upon the objects of art?—Yes, the President and Vice President, advised by the Inspector General, do that; and I think that is a very clear check.

113. But I think it transpires, from your evidence, that persons do receive imprests?—Those are very rare occasions. If Mr. Robinson is away in Spain for three or four months he has an imprest, and there must be some means of purchasing objects during his absence; I can imagine that there are objects in the museum which have been deposited there a long while, which have been bought without my concurrence, such as Mr. Webb's ivories, which were deposited with Mr. Robinson's concurrence.

114. But I suppose from the limitation of your duties, commencing as they do with art after 1750, it is supposed that your acquaintance with ancient art, although extensive, is not so extensive as with modern art?—I think I have had a very long probation in that respect; the division of period is merely to give Mr. Robinson satisfaction that I should not interfere with him in any way. I think he will say that, as art referee, I have obeyed the instructions of that minute very carefully.

115. Mr. *Locke.*] What is the object which you had in view with regard to these selections which were made of objects to be purchased?—The object is to show the best state of art applied to manufactures at the present time, and to provide the means of showing in the provinces objects best calculated to educate the eye and the hand of the artizan.

116. Then is it necessary, for that object to be carried out, that you should purchase very expensive articles?—Certainly; all the best articles are very expensive.

117. I see in this list which I hold in my hand, there is an article called a jewelled clock; what does that mean?—It means a very fine piece of clock-work, with a very finely designed case.

118. It is covered with jewels, or is it the inside of the clock that is jewelled?—No, it is the beautiful outside case of the clock.

119. Would not your object be attained by a picture of that clock?—I have already said that it would not be attained by a picture: there is nothing like the object itself to show beauty of production and workmanship.

120. Supposing you had a copy of that clock, with pieces of glass in place of the jewels, would not that serve the purpose equally well?—The jewels are not necessary; but if a man makes a fine piece of workmanship, he will not do it with inferior materials; he always will have the best materials to work in.

121. Mr. *Beresford Hope.*] You mean that it was a jewelled work of art, not a clock to tell the hour, at South Kensington?—It was a jewelled work of art.

122. Mr. *Locke.*] You have 12,000 *l.* to purchase with, have you not?—Yes.

123. If you take one item, such as a jewelled clock; or if you were to purchase precious stones, you would soon make a very large hole in even 12,000 *l.*?—Yes; and there are other large items there. I think the value of the Jackson & Graham cabinet is 2,000 *l.*; but I should strongly recommend its purchase, if it is to be had; it is the finest piece of inlaid work in the Exhibition.

124. But do you not think that workmen in England are quite aware how those things are made, and could make them, but they do not get people to pay for them?—No, I think not.

125. You think most of the work of that description which is produced by Messrs. Jackson & Graham in this instance is unknown to workmen in the trade?—Undoubtedly; and I think that the inspection of such beautiful work is very valuable to the English artizan, or I should not recommend its purchase.

126. That would be 2,000 *l.*?—Yes, that would be 2,000 *l.* You will understand that this is simply a list taken from my own memoranda, to submit along with the proposals of other gentlemen.

127. What I wished to ascertain was this, whether a much greater advantage might not be obtained by purchasing cheaper articles; articles which contain novelty, and which would be much more instructive on that account than such articles as are introduced into this list, which are very expensive, because of the precious stones with which they are decorated?—I feel that, if you want to buy, you should buy the best and the rarest pieces of work, whether they have jewels in them or not; it is for the art, not for the jewellery, that they are chosen.

128. But would you not purchase an article for the art which had not the jewellery attached to it?—Yes, if it were an equally good article, certainly.

129. Supposing you purchased this jewelled clock, I should hardly think that you would send it into the country?—If it was desirable, we should do so.

130. Are these the articles that are sent round?—Yes; articles of the greatest value are sent.

131. I should presume that your chief object is to instruct workmen here as to the mode and manufacture of articles which they are unacquainted with?—That is one object. The principal object is to raise the power of the artizan to execute noble work. If I wanted a piece of

Gauthier

Gauthier chasing in this country, there are not ten men who could even perceive its beauty, much less execute it.

132. And you would have good specimens to try their hands and eyes by?—And to try to work up to it. That is the great object of the workmen's prizes, to enable the men to appreciate what is really excellent and fine. But the workman cannot really see, for his eyes are blind to the excellence of noble things.

133. Are there no such things in this country already?—There are a great many old works in the South Kensington Museum; but we want others to show the present progress of art manufacture abroad, and that our workmen may not rest satisfied with doing what they think fine work, when really it is very inferior. It is necessary to have French workmen over to execute those articles of good workmanship. We ought to have English workmen who could do them, but we have not.

134. How long have those works been made?—There has been a very great improvement since 1851. I met Dr. Waagen coming from the Museum yesterday, and he said to me, "I am surprised at the art in the South Kensington Museum. You are beating the French in skill.

135. What are those works taken from?—From the perception of beautiful things put before their eyes since 1851.

136. But those beautiful things in France are generally reproductions, are they not?—No, certainly not.

137. Could you point out anything in the French Exhibition which is entirely novel?—It is very hard to say what is a novelty.

138. Are they not, generally speaking, reproductions of old things?—This cabinet of Wright and Mansfield is not a reproduction of an old thing. Mr. Holland's buffet is not an old thing; it is in the old style, but you cannot say it is a copy of any one thing. The object we bought, manufactured from designs by Mr. Burges, in the 1862 Exhibition, is mediæval in style, but it is no copy.

139. It is what you may call a combination?—No, it is not a combination, and it is not a copy. I might paint a picture in Turner's style, but it might not have a single idea of Turner's in it.

140. There is nothing that is entirely new?—No, I am afraid not; certainly not in these days, and Solomon told us there was nothing new in his.

141. For instance, take what is called King's Pattern, of the time of Louis the 14th?—That is so called because the king used it; but Wedgwood's ware was new.

142. There were a great many things that were new a long while ago; but what I want to ascertain is whether, in the 19th century, there has been any new creation?—I think that Turner's works were new in art; they were a new creation.

143. He copied from nobody at all?—He copied from nobody; there is no painter whom he is like that I know of.

144. Mr. *Seymour.*] In buying these objects that you have mentioned, your object has been to raise the standard of art in England?—And the workman's taste.

145. In France much more pains and public money are expended in instructing the workmen than in England?—I think the Communal Schools are very largely supported by the State, so that perhaps there may be.

146. And the Central Schools in Paris?—Yes, the Central Schools in Paris are supported by the State.

147. You have stated that French workmen are superior in taste and invention in many respects in art?—Certainly, and Paris is the centre of taste; and the centre of manufacture much more than London.

148. Paris supplies a vast number more countries than we do with objects of taste?—Certainly, with objects of taste.

149. And you wish, by buying those finest specimens of the best workmanship of France to show what the best workmen in other countries can do?—Yes.

150. And by that means, it is reasonable to suppose, our workmen may more successfully compete with them in the market of the world?—Yes.

151. With regard to those fine specimens, some of which cost as much as 2,000 *l.*, if they were bought by the rich people, for whom they are intended, they would be hidden in some large and rich houses, and would be inaccessible to the public?—Entirely.

152. And your wish is to place them in a public museum, so that everybody may enjoy them?—Certainly.

153. Is it not the fact, that a few years ago, you could not get furniture of a high class for any money?—No doubt of it. Our manufacture of furniture was very coarse and common.

154. And now you can get it of a better class than you could before?—Now you can get very much better furniture in England than you could then, and made by English workmen.

155. The masters and workmen, 15 years ago, did not know excellence when they saw it?—They did not.

156. Mr. *Cowper.*] In speaking about the purchase of foreign pictures, did you mean that your object would be to instruct the schools of art in the French school of painting, or had you reference to improving the taste of the general public?—To instruct scholars in the schools of art.

157. And for that purpose you care more about execution than about the excellence of the picture itself?—I care more about the excellence of the mode of treatment than its being a work of importance.

158. Do you contemplate that those pictures that you would recommend to be purchased, would be placed in the South Kensington Museum for exhibition, or that they would be part of the loan collection, which would travel about to the various local exhibitions?—They would travel about to the various local exhibitions, and they also would be used in another way. We are largely called upon to send works to schools of art to remain for months at a time. For instance, we send Mulready's drawings to the schools; they remain for six months, and then they are changed for another set, the students copying them. There is a great pressure upon us for such works, and we have no large fund for purchasing.

159. And should you be satisfied with getting only the French style, without having the German, which seems to be considered of importance?—I should be content with having a few French pictures, but if I saw a good characteristic German work I should have no objection to take that as one of the number. I should say that at present, it would be exceedingly valuable

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to us to get a few works of the French students of the beaux arts, as examples of the mode in which the figure is treated there. Their mode of treatment is very different from ours; and such studies would be very useful to cure the precise and somewhat hard manner in which we have carried out our instruction.

160. Do you consider that the mode of instruction in England, as carried on in schools of art, is different from that pursued in the official schools in France?—Very different; I think in some cases we might learn from the French schools, but on the whole ours is a sounder mode of education; still there are points on which I should be very glad to see an assimilation of the French mode of teaching.

161. *Chairman*.] In the list that you have handed in, I see that a large number of the objects that you recommend for purchase, are objects manufactured in England. Now, considering that the amount to be expended is limited, do you not think that it would be preferable to buy objects manufactured in France and elsewhere rather than in England?—I have stated already that I think the objects we propose to purchase, are very largely permeated with French taste; but I must say that that list is imperfect; for instance, you will see some articles under the head of Oriental manufactures. I went over the whole of the Oriental manufactures, and I should like to have many examples of them.

162. My question was, do you not think it would be well to recommend articles of foreign manufacture, Oriental and European for purchase rather than English things, because those are always to be found in England; whereas, what we want is to show the English public what has been done in other countries?—On the whole, I would buy the best things wherever they were manufactured.

163. Even including the English?—Including the English.

164. Would you purchase any objects in Paris from what is called the "Department of the History of Labour"?—I had rather they came in under our general purchases.

165. With regard to the art referees, I believe South Kensington includes a very large and varied collection of things, in almost every branch of science and art; is it possible that one or even two art referees could give an opinion of any value upon so many and such varied subjects?—I think that it is a great pity that it should be confined to two art referees. I think that the Lord President should be enabled to call in any person whose opinion he may think valuable. I have placed my office at the disposal of the Lord President, that he should do anything he pleased, in order to make my duties more useful to the department; and while I value Mr. Robinson's opinion very highly as an art referee, I think it would be more suitable that, with regard to the purchase of any articles of classical art, the Lord President should have the advantage of the advice of the Director of the British Museum; and in respect to ancient pictures, from the authorities of the National Gallery; and certainly there should be a union of the very best advice that could be given to the President, on any proposed purchases.

166. Do you not think it would lead to the loss of many valuable things if nothing could be done with regard to purchasing them without the decision of an art referee, who might be abroad at the time?—It does lead to loss in that respect.

167. Do you think that somebody, not an art referee, should be authorised sometimes to go abroad to make purchases?—I think it would be better that it should be somebody with an art knowledge; as a rule, I should not select the secretary, certainly.

168. I mean some other officers, not the art referees?—Yes.

169. You have talked about the French school of art, with reference to paintings and the technical qualities of the pictures, do you not think that in the Exhibition of Paris there are pictures, particularly in the Dutch and Belgian departments, and in the Norwegian and Danish courts, which are very remarkable examples of excellent technical qualities?—Exceedingly so; but I think they are very much ruled by the French methods.

170. Do you think that the Belgian and Dutch are so ruled?—I think the Belgian and Norwegian more particularly. I may say that my stay in Paris was only 10 days, and I had very much to attend to, so that I could not go into detail so fully as I could wish.

171. As regards price, is not that a very essential element with regard to the purchase of objects of manufacture, that is to say, to show at what price things can be produced?—I think that is a very essential question, because it shows you whether there has been a great outlay of skill and knowledge upon the article. If you buy a cheap thing, you are not likely to buy a good thing.

172. When you make purchases with reference to the art manufactures of this country, is it not of great importance that we should show not only works which are only accessible to the few, to the rich, but those which are accessible to all, and in which, therefore, price is an essential element?—Certainly; I think we should have such low-priced things in good taste as might be sent to all the world. I have not seen the Castellani Collection; but I think it might be excessively valuable to show the world the jewellery of other nations. I am quite sure that the Etruscan jewellery, the little that we have at the South Kensington Museum, has influenced the manufacture of cheap jewellery exceedingly.

173. Instead of spending very large sums upon very costly objects, would it not be better to distribute that large sum upon a number of objects, which are cheap in production, and at the same time of good taste, which might produce a really beneficial effect upon our own manufacture?—Part of it, decidedly; there are some in my list of that nature.

174. Mr. *Beresford Hope*.] The word "jewel" has rather alarmed one honourable Member; by jewel do you mean such jewels as diamonds and rubies, or garnets and amethysts, which may be worth some few shillings?—I really cannot give any idea of what they are; I look at it essentially as a piece of art manufacture, whether they were diamonds or not, I do not regard as the important question.

175. Mr. *Seymour*.] You say that the clock cost 2,000 *l*., did you ascertain what the value of the jewels was?—No; the price of the clock was 1,000 *l*.

176. Mr. *Beresford Hope*.] In illustration of the value of pure art for applied art, has it struck you that that cabinet of Mr. Burges was painted by

by Mr. Poynter, whose picture at the Royal Academy is one of the chief objects of interest this season?—I was not aware of it; but I think that that only shows that a good thing cannot be produced without good artists.

177. Mr. *Seymour.*] Have you any photographs of those things for us to look at?—No.

178. Mr. *Gregory.*] In making this selection has the object that you have had in your mind been mainly directed to obtaining objects for the circulating collection?—More for the central establishment than anything else; but I have guarded myself by saying that this is a very imperfect jotting from my memoranda.

179. Now with regard to these exhibitions, do you look upon these great periodical exhibitions as epochs, as it were, in the history of art, and that we should make selections from them, in order to compare the advance of taste, and the alteration of taste with that of previous years?—Very much so; I cannot help feeling that they are of the very greatest value to the manufacturers.

180. And do you consider it more desirable that there should be a liberal distribution of the public funds for purchasing works of art on occasions like these, which should be, as it were, standing points in the history of art, rather than in purchasing similar works in the intermediate period?—Yes, certainly; because these have, in some degree, the judgment of the world upon their excellence. It does not matter whether I recommend the object, or whether Mr. Robinson recommends it, if it gets a general reputation in the exhibition; you cannot get those objects from common manufacturers; there would be very great evil in buying objects in general from common manufacturers upon ordinary occassions; it would be thought that there was some jobbery about it.

181. If you purchase largely from English manufacturers, it might give rise to rather invidious comments, might it not?—Not when they have been acknowledged by the world to be the best. Many of these things will be found to be adjudged as the best by the whole body of the jurors.

182. But if it were not adjudged best by the jurors, what would you say then?—I would take my own view of what was excellent.

183. Who should be the arbiters of the objects which should be bought?—I think that the course which the Lord President took was a very good one, that a dozen gentlemen should be named to form a committee. It was not mine, but I think it was a very good suggestion.

184. You spoke about certain gentlemen who were connected with the British Museum, who should give an opinion about objects of classical art, and that the directors of the National Gallery should advise about pictures; did you contemplate, by that suggestion, extensive purchases in classical art?—No, except so far as they bear upon manufactures.

185. Type specimens, for circulation chiefly?—Both for circulation and for our museum, as pieces of workmanship. When the minute of Mr. Lowe was passed, I think Mr. Lowe was very anxious, myself and Mr. Robinson being at Naples, that we should buy some Etruscan vases. The British Museum, at that time, would not lend us a few of their extra specimens; but we did not buy any such works. There are a great many second-rate objects in the British Museum which would illustrate manufacture, and which might have been spared.

186. Mr. *Seymour.*] Do you contemplate exhibiting in Ireland and Scotland also those objects which are bought with the public money?—I should think not, the larger pieces; but there is no objection to sending them there.

187. Do you not think it is desirable that, as they are bought with the public money, you should give the people in Dublin and Edinburgh an opportunity of seeing them?—I think it would be a very good rule.

188. Mr. *Potter.*] You spoke of the desirability of purchasing articles in the French Exhibition, as showing the comparative progress of taste, and the state of the different manufactures at different exhibitions?—I did. That was an answer to a question put to me by one of the honourable Members.

189. But are there not many articles in the French Exhibition which have fallen off; that there were worse specimens in the Exhibition this time than there were in 1851?—Very probably so.

190. As regards the textile fabrics of this country, is not the Exhibition very inferior?—I have not looked at it. Mr. Wallis would be the best judge of that matter; he has been through the whole; and my time was too limited to enable me to investigate them.

191. Mr. *Otway.*] You spoke of the superior taste and invention of the French workmen over English workmen; does that apply to the power of execution, or simply to taste and invention?—It applies to power of execution as well.

192. Could not Englishmen design and execute as well as Frenchmen?—Taking the whole number of English workmen, certainly not. You might pick out one Englishman who could design with taste, where you would find 20 Frenchmen who could.

193. You propose to improve the taste of the English workmen, by disseminating these objects among them?—By that means, and by showing them the handicraft and skill of the Frenchman.

194. How are the art referees remunerated?—The Inspector General for Art has a salary of 750 *l.* a year; but his duties are not only connected with the museum, but are very largely connected with the conduct of those 103 schools of art, and the examinations alone are a very heavy duty.

195. Do not suppose from my question that I am complaining of the salary; but I only wanted to know if there was a fixed payment?—There is a fixed salary, but that is not only on account of his art refereeship, but also on account of his superintendence of the schools. I was first art superintendent jointly with Mr. Cole, as general superintendent, and then was appointed by the Treasury to be inspector general and art referee for a certain section. The other art referee has a salary of 600 *l.* a year; and his duties are solely confined to purchasing objects for the museum.

196. Does that comprise the whole of the salaries of those gentlemen?—That comprises their whole salary, except that, in travelling, they have 1 *l.* a day allowed for hotel expenses, and their travelling, railway, and other expenses are allowed.

197. Their actual expenses?—Their actual expenses, 1 *l.* a day, being computed for their hotel expenses.

198. There is no per centage of any kind allowed on the purchases?—Nothing of any kind;

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and it is expressly guarded that they shall not purchase anything, but for the museum.

199. When abroad, have they absolute powers of purchase?—Certainly, as far as their imprest goes, and the art referee, when he travels abroad, is directed to report by telegraph if any extraordinary work of art is to be purchased beyond the amount of the imprest granted to him.

200. Mr. *Locke.*] I see in that list there is suggested a purchase of glass; I believe that the English white glass is the best in the Exhibition?—It is.

201. You are aware that the engraving upon glass is almost entirely done by foreigners?—I am not aware of that; but if it is so, it only makes good what I have already stated, that the best work is done by foreigners.

202. The engraving?—Yes.

203. That is done by Germans, is it not?—Yes.

204. Are you aware whether there is any school in Germany for teaching engraving upon glass?—I am not aware of that.

205. Or whether that has arisen merely from the manufacture being carried on there?—I am not aware; I know we had a man here who was a glass engraver; he is now the head of the Manchester School of Art, and a very clever man he is.

206. Mr. *Gregory.*] In reply to a question of the honourable Chairman, I think you stated that, in your opinion, it would be advisable to throw more widely open the office of the art referees; that is to say, to admit other elements into it than merely the judgment of two gentlemen, specially selected for the service under that designation; is that your opinion?—It is.

207. Now I want to ask you this question; I presume that the art referees are supposed to have an intimate knowledge of the collections and all the specimens in the museum, and that those specimens and objects are collected for some definite purpose?—Yes.

208. When you admit the foreign element, if I may so call it, into the art refereeship, it would imply almost that the person admitted should have a knowledge of what was already in the museum, and of what was wanted?—That is the business of the director of the museum, and he then instructs the art referee, if necessary, "There are objects of a certain character wanted; will you find them out and recommend them to the Board." It is not the business of the art referee to know what is in the museum, but that is the business of the director.

209. Supposing some objects were bought during your and Mr. Robinson's absence, and that those objects were referred to some other gentleman in the museum for his opinion, although he might be able to pronounce an opinion upon the intrinsic merits of the objects brought before him, he would really not be aware whether or not the museum had been already provided with a similar specimen equally valuable?—Mr. Cole, the Director, would know that; he is the Director as well as the Secretary; but he has proposed that those two offices should be divided. I think Mr. Robinson was specially sent to Spain to get up Spanish art, because it was thought we were deficient in that point; it was not Mr. Robinson's own motion; it was the motion of the Director of the museum that he should go out, and this is the usual course of action.

210. Mr. *Beresford Hope.*] Suppose the Secretaryship of the Science and Art Department were separated from the Directorship of the museum, would there then be three separate offices?—Certainly.

211. Must there be three distinct offices: the Inspector General of Art, the Secretary of the Science and Art Department, and the head of the museum?—There must be three separate offices; the art division is a very large one, and is not connected with the museum at all as far as relates to the schools.

212. *Chairman.*] Do you not think it would be advisable to make purchases in Paris of what Mr. Owen Jones has termed "applied democratic art," that is to say, industrial art applied to articles of common use?—I have long thought so, as those articles remain as types for ages.

213. Mr. *Seymour.*] Does Mr. Cole take any part in the internal managment of the museum, or do things on his own authority; you say it depends upon the directors when the art referees are away?—Certainly not, as a rule; I cannot say that he may not have done such things.

214. Then, when Mr. Robinson and Mr. Redgrave are away, you say that Mr. Cole takes the management of the details of the museum?—As a general rule, the things would remain in the museum until we had an opportunity of inspecting them; according to our rule of taking things, they would remain for months; there are a great many things that would wait for Mr. Robinson's return if he were away; but if it is necessary to decide at once, then it is rarely the case that I am not within call.

JOHN WEBB, Esq., called in; and Examined.

J. Webb, Esq.

215. *Chairman.*] You have had, I believe, a very considerable experience in the purchase and selection of works of arts of all periods and all nations?—Yes; it has been my principal practice during my lifetime.

216. And you have had frequent occasion to be consulted by the Kensington Museum authorities in regard to purchases, and have yourself made purchases for them?—Yes, formerly, not for the last two or three years, because I have been unwell.

217. I think you have been recently in Paris, have you not?—I was in Paris a few weeks ago.

218. At that time, at the request of Mr. Cole I believe, you examined, with some degree of care, the Exhibition with a view to recommending objects of purchase?—Not generally, I did examine a few objects.

219. Will you be good enough to tell me what things?—A piece of furniture executed by M. Fourdinois.

220. I presume a French house?—Yes; I think it is the most intelligent manufactory existing.

221. Did you make a list of that and other objects which you saw, and thought it desirable to purchase?—No, I made no list. I saw Mr. Cole, and I recommended that piece of furniture strenuously to his observation.

222. Is it your opinion that purchases ought to be made at the French Exhibition for the purpose of exhibition at South Kensington, and for

for the purpose of circulation throughout the country?—I think that an opportunity arises at an exhibition of that kind which ought not to be lost sight of, because you see the finest things brought together that can be made.

223. You, I presume, include both works of modern manufacture and works which are exhibited in what is called the department of the History of Labour?—Yes.

224. I think that in the department of the History of Labour, there was an object which it was thought desirable to purchase, namely, a spinet of the 16th century?—I never saw anything like it before.

225. And upon your recommendation that has been secured to the nation?—It has; it is a spinet made for the Trevulsi family, and is recorded in the history of Milan.

226. You consider it the finest specimen in existence, do you not?—It is unique.

227. Are you aware whether other nations besides ourselves are contemplating purchases at Paris?—I am not.

228. Have you formed any opinion as to the amount which might be reasonably expended at Paris?—I have not.

229. Have you formed any opinion as to the progress which has been shown as regards manufacture and taste, between the previous Exhibition and the present one?—I formed the opinion that there is a certain amount of progress, but there is room for a great deal more. I was dissatisfied with many things exhibited by Englishmen in comparison with those exhibited by the French.

230. Between the Exhibition of 1851 and 1862, there was a great progress in nearly every department of English manufacture?—Yes, decidedly.

231. Do you think that has been kept up?—I think it has, but we progress very slowly.

232. Do you think relatively to other nations we have made as much progress as they have?—Not so much as the French have.

233. Do you think that they have gained upon us in the last five or six years?—Decidedly.

234. Are you of opinion that we gained upon them between 1851 and 1862, and that they have gained upon us as between 1862 and 1867?—Yes.

235. In what branches?—In furniture especially. Having lived amongst furniture and the fine arts all my life, I have devoted my attention more to these objects. I may also be allowed to say that I have been charmed with the exquisite manner in which valuable chrystals, agates, and such like are mounted in gold and enamelled; they are executed with a perfection that quite rivals the Louvre.

236. I suppose you refer to Lepic's enamels?—No, Lepic is clever and beautiful; but I refer to a person of the name of Durod, and the things belonging to Monsieur Edward Fould, and others which follow very closely upon the beautiful object of that class, one of which has been exhibited at South Kengsington, and which belongs to Mr. Beresford Hope.

237. As regards plate, are not the French very much before us in design, and have not they made greater progress during the last few years?—They have made great progress.

238. And you consider the plate exhibited at Paris by Messrs. Christofle Faunière and others of a very high class indeed?—Very high indeed.

239. Are you of opinion that our plate is deficient in taste, if not in execution, compared with French plate?—I have no great opinion of the artistic taste of English silversmiths.

240. And you think that it would be of advantage to this country that we should obtain fine specimens of plate from this Exhibition?—Of immense advantage.

241. You are of opinion that the purchases which were made in 1851, and after that, of objects of foreign manufacture, have had a decided influence on English taste?—Decidedly.

242. And in the same way have increased the sale of our manufactures?—I should say so; but we want a great deal more improvement amongst our manufacturers.

243. Do I understand you to state that that improvement would be to a greater extent attained, by purchasing and exhibiting objects of foreign manufacture?—I think it is the only way; because unless the workman sees what is really beautiful before him, he cannot imagine it himself; our artists are not sufficiently clever in that way. If you ask an Englishman to make a design, it is a very inferior one to what you would meet with everywhere in France.

244. Designs for what particular things?—Anything in the way of necessaries, whether you say plate, or furniture, or jewellery.

245. Supposing a certain sum were given by Government for purchases at Paris, would you recommend the purchase of objects made by English firms, or rather recommend the purchase of foreign works?—I should select the finest of the foreign works.

246. Have you seen any general list which has been prepared of things to be bought there?—No, I have not.

247. As you have had so large an experience of these things in all parts of Europe, let me ask you what position does the South Kensington Museum hold, as regards other museums of the same class on the continent?—I think it holds a very wonderful position; I think if you look back to the period when it commenced you have reason to be very proud of it.

248. In what position does it stand, as compared to the Hotel Cluny at Paris?—It is more general in its character and more useful than the museum at the Hotel Cluny.

249. Have you seen the museum at Copenhagen and Munich?—I have a catalogue of the things at Copenhagen, and I have seen the Munich Museum.

250. What do you think of the Munich Museum in comparison with South Kensington?—It bears no comparison to South Kensington; there are no useful works of art, except pictures and sculpture, which are of any importance at Munich.

251. Has the museum at South Kensington in your opinion, an influence on the taste of the country?—I am sure of it.

252. Upon the whole, do you think that the articles there have been judiciously selected?—I think they have been very judiciously selected.

253. You are of opinion that, if things are to be bought at Paris, the thing should be done at once?—Undoubtedly; there are private individuals who are buying very largely. I will give you an instance: I saw in the possession of Mr. Beurderley a pair of vases made from the antique rose granite, and he had had them hollowed and carved, and spared no expense about them; he

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has sold those vases for 2,000 *l.* the pair, and also a pair of porphyry vases, which he has had made from the remains of columns; they are hollowed out and sculptured on the outside; in fact, they are beautiful classical specimens; they are ticketed as having been sold to Mr. Davis, of New Bond-street, 4,000 *l.* for the two pairs.

254. With reference to the purchases at South Kensington; is it your opinion that the value of those objects has very much increased since those purchases were made?—I was examined on a Committee of which Mr. Lowe was the Chairman, and was asked the same question; in answer I offered to purchase the whole lot at an advance, and repeat it now.

255. Mr. *Beresford Hope.*] I understand you to state that between 1851 and 1862 English taste improved in comparison with foreign taste, and that subsequently to the latter date the foreigners had made a more rapid progress?—I found a greater progress in the French Exhibition than I did previously.

256. I should wish you to make another statement with regard to an intermediate period; between 1851 and the French Exhibition of 1855, on which side was the advance?—Upon the English side.

257. Is it the rule that the advance is generally on the side of the State in which the Exhibition is held; do you think that France stood comparatively better than England in its own Exhibition of 1855 compared with its position in the English Exhibition of 1851?—No; I do not think France did.

258. Are you of opinion that the English maintained the lead in 1855?—Yes, in Paris.

259. And kept it in 1862?—I think, in the exhibition of furniture in 1862, France was far superior to England. I think the firm that I have been referring to, viz., M. Fourdinois, exhibited such furniture as was never exhibited before.

260. Is it your opinion that this Exhibition has come too quickly upon the Exhibition of 1862; that the English have not had breathing time or leisure to make an effort?—I think they have had breathing time, but I think that it is probable that it came a little too quickly upon the other.

261. Do you not suppose that the Exhibition, being a matter of national pride, on the part of the French, they have made a spurt which we have not made?—They have certainly made a spurt.

262. Then perhaps you would consider that they are at their best, and that we are at our worst?—No; I do not think that we are at our worst, because, I think, there are very creditable things exhibited by the English; but there are some very inferior things exhibited by persons from whom you would expect better things.

263. On the whole, do you think there is some lost ground for us to make up?—I am sure there is.

264. Would that be best met, do you consider, by introducing into England specimens of foreign art, or of the best objects which Englishmen are exhibiting in Paris now?—To introduce the best foreign art into England would improve the taste immensely.

265. Then, suppose we had a given sum to spend there, would you lay it out upon foreign or upon English objects?—I should lay it out upon foreign objects chiefly.

266. Foreign objects in general, or chiefly French objects?—I think French objects.

267. You would not buy so much in other countries?—I do not find the taste so high in other countries.

268. Your observation was that England had rather gone back in comparison with France, not with other countries?—Only in comparison with France.

269. What is your opinion of the other great countries, Prussia, Austria, Italy, and Russia, compared with their position in 1862?—I think Russia makes the greatest strides; I think Russia improves faster than any other country except France.

270. What do you say with reference to Austria?—With reference to Austria, I do not think she makes much progress.

271. What is your opinion with respect to Austrian furniture?—I do not think it desirable to purchase.

272. How are they in respect of price?—The price in France is something enormous.

273. How is the price of Austrian furniture?—The price of the Austrian furniture is moderate.

274. With regard to Prussia, has she advanced or gone back?—Prussia is at a standstill.

275. What is your opinion with respect to Italy?—Italy improves a little.

276. Now, as to Belgium?—Belgium remains much the same.

277. And no other country is deserving of notice?—I think not; I think the strides of France are colossal.

278. Considering that we have only a moderate sum at our disposal, is it your opinion that that should be applied mainly to applied art or partially to the purchase of pictures?—I think both; it is evident that we want something of the French feeling to be thrown among our artists in pictures; the French almost despise our artists, they will not look at our pictures; I believe they only give the English artists a single medal.

279. But would they look at us with more favour if we changed our national school for their school?—I think if we had exhibited better specimens they would have given us more.

280. How would our having purchased French pictures have conduced to our exhibiting better specimens of English pictures?—I consider French pictures as very clever, but have not studied this branch of art sufficiently to offer an opinion on it.

281. You are aware, as every one is, that pictures are a very expensive article; do you think that the comparatively small sum that we could spend on pictures would give us adequate specimens of that French cleverness?—I am not at all aware; that has never entered into my ideas: I can only tell you what happened to me some years ago. I bought a French picture for the late Mr. Brunel for 200 *l.*, and when that was sold at his death, I gave 1,500 *l.* for it.

282. But was not that in the old times; do you think that you could make such a bargain now?—That was in 1848.

283. I am not asking you whether we should go into the *atéliers* of the rising young men in France, but whether you would advise, in the wide field of applied art, any portion of our money to be devoted to the purchase of oil pictures to be exhibited at Kensington?—It is a question upon which I can scarcely give an opinion. I am not fortified sufficiently to give an opinion upon that subject; I am not competent to do it.

284. Viewing

284. Viewing the different classes of applied art, would you advise purchases to be made in architectural sculpture, or wooden furniture, metal work, or ceramics. Have you compared the respective strength of these four classes in France; I take first architectural sculpture, such as drinking fountains, and similar monuments of moderate size; that is a branch of art in which England has made considerable advances in the last 10 years. Have you noticed a similar advance in France?—No; I have not noticed it.

285. You think that is an English speciality?—I think the English are very clever in that sort of thing.

286. That is not a branch of art in which you would advise to purchase extensively?—I cannot advise you at all upon the subject.

287. You have noticed the furniture of Mr. Fourdinois and others, and you advise us to purchase for our instruction in the furniture department of France, the department in which wood is the principal material?—Decidedly; I think the opportunities to advance our art in woodwork in France are immense.

288. Does that apply to work in the precious metals also?—To work in the precious metals also.

289. In which style of work in the precious metals, the renaissance, classical, or Gothic, do you think France succeeds best. In the Exhibition of 1862 there was M. Christofle's case of renaissance metal work, which was very striking and remarkable. There was another case of mediæval metal work, principally designed by M. Viollet Ledue, which also was very remarkable. In which of those classes do you think France was most advanced, and which would you advise us to purchase in?—I should not recommend one specially.

290. You are of opinion that in both these branches France has improved, and that we may learn from her?—Yes.

291. With reference to works in the baser metals, brass and iron, like the Norwich gates and Skidmore's screen in 1862, what is your opinion?—My opinion is that we are superior to them in these branches.

292. You think that in those branches we looked well in 1862, and you do not advise us to purchase in those branches?—I did not see any specimens that I would recommend to be purchased, because I did not pay any attention to them.

293. Now in ceramics, do we or France stand best?—My opinion is, that there are certain classes of *faïence* that the French are wonderful in.

294. What class is that?—In imitation, following the Italian style of majolica. There is a man of the name of Deck, who is very powerful.

295. And you would advise us to make purchases in those branches?—Unquestionably.

296. I have not yet called your attention to the question of textile fabrics. Have you had any opportunity for examining the textile works and paper hangings in the Exhibition?—I have not examined them.

297. You cannot state the comparative position of the English and French in those respects?—No; my opinion would be no authority at all upon the question.

298. Mr. *Seymour.*] You are of opinion that English workmanship advances steadily?—I am sure of it.

299. Only you think we ought to go a little quicker?—Decidedly.

300. What would you consider a foreign object; would you consider that a foreign object which was made by foreign workmen, but ordered and exhibited by English manufacturers, such as Messrs. Jackson & Graham?—I would consider it a foreign object if it were made in France and by foreign workmen.

301. But suppose Messrs. Jackson & Graham exhibit an object of very fine woodwork, which had been executed by French workmen; because it is exhibited by Messrs. Jackson & Graham, would that prevent your recommending it to be bought?—No; I should recommend it upon its merits.

302. There is a remarkable escritoire or cabinet, that was mentioned by Mr. Redgrave, exhibited by Messrs. Jackson & Graham; do you know that?—It is remarkably clever; I was attracted to it by its talent; it is ebony and ivory.

303. The fact of an object of that sort being exhibited by Englishmen would not prevent your thinking it desirable to purchase it?—On the contrary, I should recommend it to be purchased.

304. You state that we do not exhibit the best specimens of pictures; do you think that that is the reason why the French do not appreciate the English school?—I think so.

305. Are you of opinion that if the best pictures had been exhibited, the French would have acknowledged their merits?—That is my opinion.

306. You think that it is not from any extraordinary difference between the art of the two countries that they fail to acknowledge our merit?—No; but still I think the French have a prejudice against English art.

307. There is, is there not, a great difference between the two countries with regard to pictures?—Yes.

308. That is a curious thing, seeing that both have learned in the same school, namely, the old Italian?—I think they have a style of their own.

309. Do you think we could gain by having some specimens of their style?—I think so.

310. In what respects should we gain?—I am not competent to speak to that.

311. I understand you to say that you would recommend us to buy specimens of their work in metals; do you allude to jewellery?—I think you may purchase there with very great service to the country.

312. And it is the fact, is it not, that the French have the principal market of the world for jewellery, and that they please a vast number of nations who never come to England?—I think so. I think the specimens of goldsmiths' work exhibited by M. Castellani are very fine. I think his Roman workmanship is beautiful.

313. That is Roman, and not French?—Yes.

314. There is a very great difference between the French and English styles of jewellery for personal adornments?—A very great difference.

315. Mr. *Gregory.*] You were just speaking about the jewellery of M. Castellani; do you not think it would be very desirable for the South Kensington Museum that a collection should be made of the peasant jewellery of the world?—I think if you can get together a series of the jewellery of the various countries, and all parts of the world, that would be as interesting a thing as you could have.

316. You examined that collection of M. Castellani's,

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tellani's, and you appear to have paid particular attention to it?—Yes, I did.

317. Do you think it would be advisable to buy that collection *en bloc*?—I think it would be well to buy it *en bloc*. I think when it is divided into various portions, you destroy the great feature of it.

318. You mentioned a few minutes ago some of the works exhibited in 1862 by M. Fourdinois; were any of those purchased for the Kensington Museum?—I do not think they were; they were purchased by Englishmen. Mr. Morrison bought a beautiful ebony cabinet, which was perfection.

319. Are you of opinion that this particular cabinet which you have referred to is an advance, in point of beauty and chasteness of taste, on the works of 1862?—Perhaps I am an enthusiast for that style of workmanship; but I do not think it can be excelled.

320. You refer to the work of 1867?—To the cabinet which he exhibits now.

321. Mr. *Potter*.] You have spoken of the designs of the French plate being superior to our own?—Yes.

322. Of course you are aware that they have cheaper labour and better designers than we have?—I have not gone into that kind of thing; I only give my opinion about the plate as it struck me.

323. And I understood you to speak of the furniture as being superior to our own?—Very superior in taste and design.

324. I suppose you have imported such articles, have you not?—Yes.

325. And there is no duty upon them?—There is no duty now.

326. There has not been for five or six years, I believe?—No.

327. Is there any large demand for this class of goods in the London market?—There always has been a large consumption of French goods in England since I can remember.

328. Has it largely increased, in your opinion, in the last seven years?—I have purchased very largely. I have had very expensive works made for me in Paris.

329. I wanted to know whether you thought there was a largely increased consumption of that class of furniture in the London market?—I am not aware.

330. Are you aware that the furniture made in this country cannot be sold in France except at a very high duty?—I am not aware of that at all, but I do not think that we make a class of art furniture that the French would look at.

331. Mr. *Otway*.] I understand you to say that the progress which this country had made between 1851 and 1862, had been greater, relatively, than that made by France, but that France had, between 1862 and 1867, made much greater progress than this country; to what do you attribute that?—I attribute it to the indigenous qualities of France, and a desire to excel at the Exhibition.

332. But the national qualities were the same in 1851 as in 1862?—It was a new thing; they had not roused their faculties to the combat as you may term it; they did not understand the nature of the Exhibition; I never saw anything like the profusion of fine furniture they exhibit at the present day.

333. You do not confine your observations solely to the furniture, but to everything which has come within your view?—Yes.

334. Mr. *Bentinck*.] I understood you to state that a spinet of the 16th century had been bought by your recommendation?—I understood the honourable Chairman to say that it had been bought.

335. You do not know it of your own knowledge?—Yes, I know it of my own knowledge.

336. And you recommended plate to be bought; now have you formed any estimate of what that plate would cost?—No, I made no estimate at all; I recommend it to the Committee here; I have not recommended it anywhere else.

337. But you are aware that plate can be bought only at a very high price?—No, I am not aware even of that.

338. With regard to the Castellani collection, is that a large collection?—It is a very interesting collection; I should not say it is a very large collection.

339. With regard to English furniture, I understood you to say you recommended that cabinet of Messrs. Jackson & Graham to be purchased?—I did.

340. Is that the work of English workmen?—I have no idea; I only saw that it was exhibited by Messrs. Jackson & Graham.

341. And with regard to majolica, in the same way, you recommended the purchase of specimens of French majolica?—Yes.

342. Do you consider them superior to modern English majolica?—I do, intensely.

343. Mr. *Locke*.] You state that French artists do not look at English pictures; is that peculiar to the present Exhibition; did you ever know a French artist who did look at an English picture?—I only know that they went into the Exhibition this year, and left it as soon as they could.

344. Have you been amongst the English pictures?—I went through them.

345. Although the artists might not be looking at them, were not there a great many other people who were?—Naturally.

346. And the common people in France cluster a good deal round the domestic pictures of England, do they not?—I did not observe that.

347. But, however, there are a great number of French people who go into the English Gallery, are there not?—The Exhibition generally was filled with persons.

348. What I mean to put, is, that the English Gallery of pictures is not exclusively filled by English people?—I did not notice the sort of persons who were there.

349. Now you have been speaking of the majolica; did you observe the Sèvres china in the department of Sèvres?—Yes.

350. Is not there an entirely new description of china introduced lately?—Not an entirely new description. I think the same process was exhibited in 1851; I think the manufactory at Sèvres has been improving on it, and bringing it to perfection.

351. What I am speaking of is that where the figures are raised?—Yes, that is what I mean.

352. The colours are peculiarly delicate, are they not?—Yes, very.

353. Is not that to a great extent a novelty?—Yes.

354. Is it somewhat similar to productions of Mr. Minton?—Mr. Minton is imitating it; he is anxious to produce it as well, and that is one of the good effects of the Exhibition; Minton's *amour propre* is rather startled, and he is very anxious to

to arrive at perfection, but I think that is a speciality of the French which requires the highest artistic talent.

355. But it is to a certain extent a new thing?—Yes, it is to a certain extent.

356. When was that produced?—I think they exhibited it first in 1851; then they improved it in 1855; they were then so astonished at Mr. Minton's exhibition of majolica, that they have gone on improving this as a speciality.

357. I believe some of them are the most beautiful specimens in the collection?—They are.

358. And Mr. Minton is now imitating it?—He is doing his best.

359. Do you think it would be advantageous to make a purchase of any of those?—Decidedly it would.

360. It would be a novelty at all events in this country?—Certainly it would.

361. You were speaking of the French jewellery; you state that the French jewellery is far superior to the English?—I was speaking of that class of goldsmith's work which imitates the enamelling of the 15th and 16th centuries.

362. But you were asked whether that ornamental jewellery, such as is worn by ladies, is superior to ours?—Their taste is superior; and their arrangement is superior; but the solidity of the English jewellery is equal or superior to anything in the world.

363. Did you notice any very great difference in the taste of French and English jewellery with reference to design?—Decidedly.

364. In articles that are worn?—No, I did not go so much upon that; my thoughts are always recurring to those beautiful things that are enamelled on gold; I am so enthusiastic upon that style of goldsmith's work; I have been long in the habit of examining those things in the Louvre, and when I saw an object exhibited in the 1862 Exhibition by the French in that style, I made a point of purchasing it.

365. Then it is more particularly with regard to that particular class of article that you speak?—Yes.

366. You do not speak of bracelets?—No.

367. Did you see Phillips' things?—Yes.

368. Those are corals?—Yes.

369. Is there anything superior to them amongst the French?—No, he has made that a speciality.

370. Do you consider his things are the best?—Far the best.

371. I understand you to state that a great many purchases have been made of French jewellery; have not a great many purchases been made by foreigners of English jewellery?—I have not the slightest idea.

372. Mr. *Cowper*.] When you were speaking of the superiority of the French furniture over the English, had you reference to the circumstance that there is a different custom in France and England; in France men who have achieved a reputation in the higher branches of art are willing to make designs for furniture, while in England such an employment of talent is considered rather derogatory to the position of an artist?—I consider every Frenchman who professes to be a designer is capable of doing things far superior to the Englishman; if a Frenchman, who excels in his art as a designer, undertakes a work, he is sure to do it in a superior manner. The French have so many examples which they can see in the public palaces of grand State furniture from the time of Francis I., down to the time of the Empire, that their eye gets accustomed to these things, and they study them; they have an opportunity of going into all the palaces and looking at the furniture, and the decoration; they can take models or drawings, and have every opportunity given to them to bring their work to perfection.

373. Do you consider it the case that in England designs for furniture and chintzes, and other similar objects, are practically left to persons rather in the position of workmen, while in France they are taken up by persons of a higher artistic education, and of a higher social position?—I do decidedly.

374. Do you consider that the schools of art have done much to improve the power of designing on the part of the English workman?—Yes, very much.

375. Are you of opinion that more ought still to be done in the way of giving instruction?—I think you never can do too much.

376. Should you say that there is a great want at present of opportunities for the workman to acquire, under teaching and under lectures, the power of designing or of developing any faculties he may possess of this description?—I consider the English workman has not the opportunities which the French workman has, but I think, since you have instituted the Science and Art Department, you have done a great deal for the workmen, and they have continued improving ever since.

377. But you are of opinion that the English workman has less opportunities in that direction than the workman of Germany, Austria, and Belgium?—I confine myself principally to France, for I find that to be the nucleus of taste; I have not given much attention to other countries; I think the Austrian workmen are clever as cabinet-makers, but I do not think they have great taste.

378. Mr. *Beresford Hope*.] In illustration of the question which the honourable Member has just asked you, has it come within your purview that a small number of first-class architects in England have, within the last few years, taken to designing for applied art in a way which there was no instance of before?—It has not come within my notice.

379. Take the case of Mr. Welby Pugin?—I know Mr. Pugin did immense things for a particular style.

380. Assuming it to be as I say, do you not think that a great advantage to applied art?—I think that if other architects with talent for other styles would apply themselves as Mr. Pugin did to the Gothic style, it would be an immense benefit.

381. And that in the purchases we may make, the name and character of the designer as well as the produce should be considered?—Decidedly; it is a work of art.

382. *Chairman*.] With regard to price; can you form any idea as to what nation can produce the best object in furniture at the lowest price?—I think, really, as far as my judgment and experience go, the French do it at a more reasonable price than we do.

383. Mr. *Bentinck*.] I suppose the remarks which you have made as to the inferiority of English plate do not apply to old English plate; you have great respect for that, I dare say?—I

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have great respect for that; I always purchase it when I find it.

384. Are you not of opinion that the attention of our English workmen might be called to that plate as well as to the other description?—I am sure it might; and if I have anything that would assist them, I should be very happy to lend it.

Captain JOHN F. D. DONNELLY, R.E., called in; and Examined.

Captain *J. F. D. Donnelly*, R.E.

385. *Chairman.*] WILL you be good enough to inform the Committee what office you fill in the South Kensington Museum?—I am the Official Inspector for Science.

386. What are your duties?—The supervision of the administration with regard to the science schools and the different science departments as are in connection with the Science and Art Department.

387. How long have you held that office?—Since the beginning of 1859.

388. Previous to your appointment, was there a similar office?—Dr. Playfair was termed the Inspector General for Science.

389. Did you succeed Dr. Playfair?—Yes.

390. By whom was your appointment made, was it made by the local department, or by the Privy Council?—By the Lord President at the time, I think it was Lord Salisbury.

391. How many schools have you under your supervision?—At the time of the last May examination there were 212 schools which sent up pupils, and there were 10,108 students under instruction in these science schools, of whom 4,520 came up for examination.

392. Are those schools affiliated to the Department of Art and Science?—They get Government grants which are paid upon the results of the instruction; they are examined in May, and the schools receive payment upon the results of the examination.

393. Are you in the habit of personally inspecting those schools in the country?—I inspect some of them occasionally, but my duties are principally in London; there are two other Inspectors who visit the schools, Dr. Sidney and Mr. Iselin.

394. Those schools are chiefly schools of art?—No, I am speaking only of the schools of science.

395. You have nothing to do with the schools of art?—No.

396. Have you been to the Paris Exhibition?—I was there for about a month.

397. With what object did you go to Paris?—I was there as secretary to the English jurors in connection with the jury work.

398. Were you requested by Mr. Cole to make any examination of the contents of the Exhibition, with a view to making purchases?—I was asked, with a number of other people, to give in memoranda of anything I saw at the time.

399. Have you made any list of things?—No, I had not sufficient time or opportunity to give in a list.

400. Are you prepared now to give an opinion to the Committee as to the advisability of making purchases?—I saw a great many things there which, no doubt, it would be a great advantage to have in the museum for the use of the science schools, but I could not at the present moment give in a list of them.

401. Could you give the Committee an idea of the class of objects you would recommend for purchase?—There are such objects as the Darmstadt models for teaching the application of mechanical powers in schools; they are made very cheaply; such a class of objects as that would be very desirable. Cheap apparatus for scientific instruction we are very much in want of in this country, and it would be exceedingly useful to get such specimens as these museums in England, and also to let the schools have them.

402. Are there many such objects?—There are a great number in different parts of the Exhibition.

403. Could you form any idea of the sum of money which might be properly expended on the purchase of those objects?—No, I cannot. I may say that yesterday when I heard that I was to be examined, I telegraphed over for the recommendations which had been sent in, but the telegram unfortunately was not understood.

404. What do you include under the head of science; mechanical science, or science generally?—Aid is given through the Science and Art Department towards instruction in science generally. The following is a list of the subjects towards the instruction in which aid is given as stated in the Science Directory—Practical, Plane, and Descriptive Geometry; Mechanical and Machine Drawing; Building Construction *or* Naval Architecture; Elementary Mathematics; Higher Mathematics; Theoretical Mechanics, Applied Mechanics; Acoustics, Light and Heat; Magnetism and Electricity; Inorganic Chemistry; Organic Chemistry; Geology; Mineralogy; Animal Physiology; Zoology; Vegetable Physiology and Economic Botany; Systematic Botany; Mining; Metallurgy; Navigation; Nautical Astronomy; Steam; and Physical Geography.

405. And in all these subjects there are specimens exhibited at Paris which it would be desirable to purchase?—No; many of these sciences do not require, and are not capable of being illustrated much by apparatus; but many of the others are; for instance, in the department of mechanics there are in the Exhibition several models for teaching mechanics. Then in the geometrical drawing and machine drawing there are several models illustrating the penetration of solids, and so on, which are for use in schools.

406. Would you advise the purchase of preserved specimens of reptiles and things in bottles?—Not for the Kensington Musuem; but they might be very fit objects for the Natural History Museum in Edinburgh or in Dublin, which are under the Department; and Professor Allman, who is in charge of the one, or Dr. Carte, who is in charge of the other, may have sent in lists of such objects.

407. I understand you to state that the South Kensington Museum now has under it museums of every class?—Not the South Kensington Museum, but the Science and Art Department, of which the South Kensington Museum is one branch. Perhaps I had better go through them; there is the Museum in Jermyn-street; the Natural History Museum in Dublin connected with the Royal Dublin Society; the Industrial Museum in Dublin: there is an Industrial Museum in Edinburgh,

Edinburgh, part of which is the Natural History Museum. The new building for the Industrial Museum was built by the Board of Works, completed last year, and opened by the Duke of Edinburgh, and the collections are now being made for it.

408. Is it part of the duty of the South Kensington Museum to supply natural history collections to the museums?—All the votes for these museums are taken in our votes, and the purchases, of course, are made by the officers in charge of the separate museums.

409. Supposing, for instance, that this Committee should think it advisable that a certain sum should be expended in Paris in making purchases to be applied to what we consider the objects of the South Kensington Museum, do you consider that a part of that sum ought to be applied in the purchase of objects of natural history or science of that kind?—Certainly, in the purchase of objects for the Edinburgh and Dublin Museums.

410. Specimens of natural history?—I am not aware whether there are or are not any very good specimens of natural history in the Exhibition, but if there were, I think it would be a good opportunity for purchasing them.

411. Mr. *Beresford Hope.*] I apprehend that the objects of which you recommend the purchase, are rather for lecture purposes than for exhibition and museum purposes?—We have already made a collection of models and other apparatus for instruction in science, which are exceedingly useful for masters and for schools in the country. When they come to London they see collected together in one place what it would give them a great deal of trouble to ferret out in different shops in London.

412. Would you lend those objects about?—I do not think that any of them as a rule have gone down to the country. I think once or twice, at the opening of a school, some of them were sent down.

413. Then to be of any extensive use in the country there must be more than one set over in England. One set of scientific apparatus could only be at one place?—They would be of great use to manufacturers and other people. A great many of these things are what people can really make themselves, if they see how they are to be done.

414. I do not understand how these things could be called models of machinery?—The Darmstadt models are models showing the different mechanical powers. They are very well made, and very cheap.

415. They are for use in schools; they are very elementary, are they not?—They are for the illustration of different parts of machinery.

416. Suppose we bought the set and exhibited them, do you mean that they should be exhibited at Kensington for English manufacturers of philosophic toys to copy them?—Yes.

417. Is not it something like a moral violation of copyright for the Darmstadt people to make them, and then for us to get them for people to copy?—There is no reason why they should not be got from Darmstadt.

418. In fact, it is to be an advertisement of Darmstadt?—An advertisement of what is the best thing you can get. Most of our examiners have stated that it is very difficult to get good cheap apparatus. Professor Tyndall, for instance, has pointed out how difficult he found it to get any manufacturers in England to make the proper description of apparatus for teaching electricity and magnetism, cheaply and well.

419. I suppose then that the whole amount of the purchase you contemplate would be covered by a comparatively small sum of money?—Yes; for the science schools it would be comparatively quite a small sum of money.

420. Would it count by hundreds of pounds, or what?—I should think 400 *l.* or 500 *l.* would go a long way.

421. That would cover anything and everything that you would recommend for the science department?—£. 500 would go a long way for that purpose. Then with reference to the museums in Dublin and Edinburgh, that would be a larger affair.

422. I am talking of the whole sum of money that we should think right to expend on behalf of the Kensington Museum?—I meant by the 500 *l.* the purchase of models, for the use simply of the science schools.

423. At South Kensington or all over England?—They would be at South Kensington, and might be lent to schools.

424. Then they might be lent to Edinburgh and Dublin, might they not?—Yes, but over and above that there are a number of other things which might be purchased for the Industrial Museums of Edinburgh and Dublin.

425. Of course we might purchase very largely, but we are a Committee now to report upon the best way of spending a small sum of money, which has many claimants on it. I was asking how much would be the extreme required for such purchases as you would consider sufficient for South Kensington?—That I cannot say.

426. Mr. *Seymour.*] How was it you never heard of the Darmstadt models before in South Kensington; did you never hear that those models were made in Germany until you saw them in the Paris Exhibition?—Yes, we have many models of somewhat the same description in South Kensington now, but I think these have been lately got up.

427. If you took the address of the people who manufactured these models you could always get them out of your ordinary funds; they are nothing special to the Paris Exhibition, are they? It is merely that you know where there is a special manufacturer makes cheap models; do you think that that would come within the special grant for the purpose of buying the most remarkable things in the Paris Exhibition?—This is a special grant, and this is a special opportunity for securing the articles; here you have them collected immediately under your notice at once.

428. Are they made then by a number of different manufacturers who have assembled them there?—No, I think these are all made by one man.

429. Then you have only got to write to that man, and say, send me a set, such as there were in the Paris Exhibition, and you could do that out of your ordinary funds?—That might be done.

430. There is nothing so peculiar in them that if they are not bought in the Paris Exhibition you could not get them again?—No, I do not say that there is, but there are many other things which I could not specify at this moment, which are got up for this exhibition especially.

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431-2. As I understand this grant, it is for things that are made and exhibited at Paris, and which, if we did not buy them there, we should not have an opportunity of getting again; are there any things in your department which you think ought to be bought under that head?—I think there are many models got up specially for this exhibition.

433. Mr. *Gregory.*] Models that are got up with special care and attention?—They are got up with special care and attention.

434. Therefore you consider that these specimens may be considered valuable as exceptional in merit?—Yes.

435. For that reason you would propose a special grant for them?—Yes.

436. You referred to the objects of natural history, which you could propose should go to Edinburgh and Dublin, could not those objects be obtained on an ordinary occasion?—I did not suggest them; I think it was the honourable Chairman who suggested them, and asked me if I would recommend their being purchased. If there are any exceptionally fine objects which Professor Allman, who is in Edinburgh, or Dr. Carte, who is in Dublin, thought very desirable, I should recommend their being purchased.

437. But I understand you to state that you are not aware of any?—I am not aware of any.

438. Mr. *Potter.*] You only propose the purchase of one complete set of these models for South Kensington?—No.

439. Mr. *Locke.*] Did I understand you to say that these models or machines, whatever they are called, are used generally in Darmstadt, and in the German schools?—I believe they are used in German schools for instruction in mechanics.

440. Therefore there would be no difficulty in getting them?—There would be no difficulty in getting them at any time.

Mr. Reginald Stuart Poole, called in; and Examined.

Mr. *R. S. Poole*,

441. *Chairman.*] I believe you are one of the Assistant Keepers in the Department of Coins and Medals in the British Museum?—I am Assistant Keeper of that Department.

442. Have you been to Paris?—I have been to Paris, at the request of the Committee of Council on Education, to examine the Meymar Collection of Oriental art in the Exhibition, and another collection, which I found to be the Oriental Departments of the Exhibition generally, with a view to the purchase of objects for the Department of Science and Art. Might I ask you to separate the two objects for which I was sent, because the collection of Arab art, called the Meymar Collection, is not a collection of anything produced in the present day, and the other is a modern series.

443. And did you, in consequence of that invitation, make a report to any head of a department as to the desirability of making purchases in these branches?—I drew up two reports, which I submitted to the Secretary of the Department of Science and Art.

444. One of those referred to the Meymar Collection, and the other to the collection of Oriental articles generally?—Yes.

445. The Meymar Collection is, I believe, a collection of early Arab art?—It is a collection formed in Egypt of the best examples of Cairene woodwork, metal work, ceramic work, and illuminated manuscripts, ranging from about A.D. 879 to about 1517, the Turkish Conquest; the earliest specimen I found was of about 879 of our era.

446. Did you recommend the purchase of that collection?—I recommended it very strongly.

447. Do you think it very desirable that that collection should be acquired for the South Kensington Museum?—It is most desirable; I know of no place where it could be placed so easily, and I should recommend it to be purchased even, if it were necessary, at an extravagant price; it gives us the history of an art that is dead, and the collection contains capital specimens which you might not find again. The principal object is a pulpit from one of the most important royal mosques in Cairo, with carvings in ivory of the best period of florid arabesque art; this mosque was pulled down, and the pulpit was purchased by Dr. Meymar, at the time of the pulling down, for 700 *l.*, at least that was his statement. I should like to put in a letter from Sir Gardner Wilkinson upon that subject.

448. Will you read the letter?—I will; it is dated 18th June 1867: "I am very glad you have seen the Egyptian Collection at Paris, and from your intimate acquaintance with Arab work, you will be a good judge of its value. It is certainly very desirable that we should possess good specimens of Cairene taste, especially in woodwork, and the wooden pulpit from the Moaiud would be a great acquisition. I have a particular admiration for such carved work, and for the beautiful lamps in some of the mosks (or mosques, if you prefer it), which last, I believe, were made in Syria; and I am glad to think that we are likely to become possessed of objects of good Arab taste."

449. Do you consider the price which was asked unreasonable?—The price is unreasonable.

450. At the current estimate of ornamental art?—Yes; but still I should recommend its purchase if it can be got. I spoke to Mr. Owen Jones upon that point, and when I was discussing it with him, he said, "I have reported with reference to the value of this collection for art purposes; you can report a higher value as an archæologist." I do not profess to have anything like Mr. Owen Jones's practical knowledge of art workmanship, but I am inclined as an archæologist, to place a very high value upon dated specimens of a class of art with which we are not as yet historically acquainted, and which might form a very important element of instruction for English schools. My ground for considering them of value was, that I found we had very important specimens of art with the dates attached, and we should be able to ascertain what was the best condition of Arab art at the best epochs, from articles made by the best workmen; that was the ground on which I would recommend that they should be purchased, even, if necessary, for the highest price which you can possibly spare from your grant.

451. Would it be desirable to make a selection from that collection, and not to take it as a whole?—Undoubtedly it would. I suggested to omit the metal work; to take the pulpit, and to take the ceiling of a reading desk of an earlier period; and the glass lamps and the illuminated manuscripts,

manuscripts, which are very fine; and, if possible, to persuade Dr. Meymar to retain the rest of the collection, but I should wish to have a guarantee that those objects, especially the pulpit, were essentially perfect.

452. As regards the collection of the modern textile fabrics of the East, have you made any report?—I confined myself altogether to those things with which I was somewhat acquainted; I omitted textile fabrics, and confined myself to ceramics and jewellery, and the articles that I have mentioned.

453. Do you think it is desirable that a collection of such articles should be obtained for the South Kensington Museum for the purpose of circulation throughout England?—I think it is most desirable, because I observe that in many of the remotest parts of the Oriental world, where Turkish taste has not yet destroyed the national individual taste, objects are produced in the present day which might be procured in a good style of art; Persian and Moorish work, where very good, being uninfluenced by either Frankish or Turkish taste, should be picked out.

454. Is not there a large amount of cheap pottery and embroidery in the Oriental Court, which it would be desirable to exhibit in England?—I did not go into that matter with so much interest, because it is my belief that the peasant manufactures will go on, and we can procure specimens at any time; I was more anxious to see what objects it was possible to secure of which the taste was likely to be perishable, because, in my recollection, Oriental art has quite perished in Cairo.

455. Did you observe the Tunisian pottery?—I did, and I recommended it; but I rather think it was Tangiers pottery that you refer to; pottery, blue and white.

456. They are considered handsome in form and good in design?—And they were good in colour.

457. Have you formed any estimate of the amount which it would be desirable to expend upon the objects in the collections which you have mentioned?—Solely with regard to the Meymar Collection.

458. I am speaking now of the modern articles?—No, I have not.

459. You cannot give the Committee any idea of the sum which you would think it desirable should be spent upon this collection?—That would depend upon the amount at the Committee's disposal, but, considering the costliness of European art, you would not take a large proportion out of that sum; you might take a tenth part.

460. I asked the question to find out whether you had made any estimate of the amount which it might be desirable to expend upon objects in the Oriental Department?—I have made no valuation.

461. Would you suggest 2,000*l.* or 3,000*l.*?—I think that for 1,200*l.* or 1,500*l.* you might make some very good purchases. Mr. *R. S. Poole*

462. Mr. *Gregory.*] With regard to the metal collections of this gentleman, you say that you do not recommend them. I suppose that that is upon the ground that most of them are mainly modern?—No, some of them are of good date and very fair style, but they are not so remarkable that you would not be able to get better specimens at a future time. I think it would be desirable only to lay out money upon what cannot be obtained elsewhere. 28 June 1867.

463. You are intimately acquainted with Cairo?—I was seven years in Cairo.

464. I think that a vast number of these metal vessels, like those which this gentleman has in his possession, you see in various establishments in Cairo in ordinary use?—Scarcely in ordinary use. I think these are mostly the furniture of mosques or palaces.

465. But even in ordinary use sometimes you may see these metal vessels of considerable date?—Sometimes you may.

466. Have you examined this collection, specimen by specimen?—I have examined it very minutely.

467. In the report you have sent in, have you dwelt upon the particular articles that you think ought to be bought?—My report extended to about 16 folio pages, and I gave all the information I could as to the objects that I recommended.

468. But I think, in reply to a question put by the honourable Chairman, you said that you did not recommend a price to be given for the whole?—I did not recommend the price asked, because I felt that public opinion would not support it.

469. Mr. *Bentinck.*] Have you any objects in the collection at the British Museum of the same class as the Meymar Collection?—Nothing but bronzes, some of which are in the Blacas Collection.

470. But you have objects of that class?—Yes, certainly.

471. Why do not the Museum buy the collection?—Because they have no space. I cannot answer for the trustees, but I suppose it is from want of space.

472. If the Meymar Collection were bought by the Kensington Museum authorities, there would be no want of space, but there would be a collection of Oriental antiquities of the same character and class as the one which exists at the British Museum?—Scarcely, because the British Museum collection is a very insignificant one; it consists almost entirely of metal work, but this mainly consists of carvings in wood and ivory.

473. But they are objects of mediæval art, are they not?—Yes.

Charles Forster Hayward, Esq., called in; and Examined.

474. *Chairman.*] You are a Practising Architect, are you not?—I am. *C. F. Hayward, Esq.*

475. And you were recently Secretary to the Institute of Architects, were you not?—I was Honorary Secretary to the Institute for some time.

476. Have you been to Paris?—Yes; I was there as honorary secretary to a special committee connected with the Paris Exhibition, and as such I went personally to see to some of the arrangements.

477. Was it a committee appointed by the Institute, or by the South Kensington Museum?—A committee of the Institute of British Architects; I should say not only of this institute, but of other societies who were invited to assist in endeavouring to get a good representation of architectural art in the Paris Exhibition.

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478. Have you made any report upon that subject?—No, I made no report, but have merely in conversation mentioned the facts at our Institute of Architects; I have compiled a catalogue of the things that we have there, and that is all there is in the shape of a report.

479. Have you formed any opinion of the desirability of making any purchases of architectural plans and elevations of any kind for exhibition in this country at the South Kensington Museum?—No, I have not at all; unfortunately I had to leave Paris by reason of a serious family bereavement on the 2nd of April, and at that time, the 1st of April being the opening day, our drawings were not all hung, nor was the Exhibition so complete that I had any opportunity of seeing it at all.

480. You cannot give the Committee any opinion as regards the purchase of any objects connected with architecture and structure exhibited at Paris?—I merely say, with regard to our British part, there might be a few specimens which might be desirable, but I do not think there is anything special in that part of the Paris Exhibition that we could not obtain in England at any other time.

481. Mr. *Beresford Hope.*] The honourable Chairman has referred to architectural designs and elevations, but the court which was organised by the Committee went a great deal further, and included specimens of applied art, furniture, and other similar objects which are used for the garnishing and furnishing of buildings, did it not?—Yes; I should like to explain if you will allow me, that the Committee had two objects in view; one was the exhibition of works of architectural art by architects themselves, such as their drawings and models, and designs in group 1, Fine Arts, class 4, of the Paris Exhibition; and we also attached to that something which has never been exhibited before, completely, in connection with architecture; that is, a collection of objects of the arts which we designated "*cognate to architecture,*" which would otherwise have been scattered about in the classification of the French Exhibition under groups 3, 6, and so on. We believed also that we could combine stained glass, but that was afterwards taken away and made a specialty in the French Exhibition, as you are aware.

482. I am aware that you were unhappily called away; had you an opportunity of seeing anything beyond the court which you were directing during the time you were inside the building?—No, not sufficiently to give a proper opinion upon it.

483. Of course you are perfectly familiar with the court which you organised yourself?—Yes.

484. Which is a court of all the classes of applied art, architectural sculpture, woodwork, work in the precious metals, work in the baser metals, and ceramics; those are all included, I think, in your court?—All, with one exception. You are perhaps aware of the difficulties we had with reference to the precious metals; they are so scantily represented that I think I might almost say they are not represented there, but all the other things are; and embroidery also.

485. The court represented, more or less, the condition of the arts cognate to architecture in England now, both of the Renaissance and the Gothic school?—Yes, perhaps rather less than more, but it is a pure accident that it should be Gothic in character, for we desired to represent all styles equally.

486. Are you prepared, from your knowledge of that court with which you are intimately connected, to hand in any lists to this Committee or to the South Kensington Museum of articles of British applied art exhibited in that court which you think it would be desirable to acquire for the South Kensington Museum?—I hardly think there is anything in that court specially which could not be obtained at any other time.

487. Is there no special article of furniture by any of our producers which you would recommend?—I think there is no article of furniture there that it is desirable should be possessed by the South Kensington Museum.

488. I will give you one instance to explain my meaning; at the former exhibition, there was a court of architecture, out of which some furniture, designed by and manufactured for Mr. Burges, was purchased; is there any article of the same kind of excellence which you would advise for similar reasons to be purchased?—No, not one; there is some metal-work which it might be desirable to purchase, and of which a list might be made.

489. Is that in the same court?—In the same court.

490. Are you prepared to furnish such a list to the Committee?—I am afraid not, because at the time that I left the Exhibition the show of metal-work was so imperfect that I could not make a list.

Augustus Wollaston Franks, Esq., F.S.A., called in; and Examined.

A. W. Franks, Esq., F.S.A.

491. *Chairman.*] Will you be good enough to state what office you hold at the British Museum?—I am Keeper of the Department of British and Mediæval Antiquities and Ethnography.

492. When did you go to Paris?—At Easter, for a few days; I went there to see to the arrangement of certain objects that the Trustees of the British Museum have exhibited in the section of the History of Labour.

493. Did you see the other things in the Exhibition?—I looked at them in a very general way; I confined my attention to certain things which particularly interested me, and did not examine the general arrangements to any great extent; in fact, the Exhibition was not sufficiently complete to enable me to study it with any degree of profit; I left that for another time.

494. Have you made any report with reference to any objects which it would be desirable to purchase for the South Kensington Museum?—I have nothing to do with the South Kensington Museum, and was not consulted upon the subject. On my return I made a report to the Trustees of the British Museum, and applied for a special leave of absence to study the Exhibition, chiefly in connection with the Christy Collection, which is a large ethnographical collection belonging to the British Museum, and of which a catalogue is shortly to be published; and as there are many objects in the Paris Exhibition of the same nature as the Christy Collection, I am anxious to study them for the purposes of the catalogue as well

ll as to see what there is that I can purchase the Christy Collection.

495. And have you made a list of the things ich you think it desirable to purchase?—I have de no list, for the objects are not in themselves nsiderable, and the funds at my disposal are very nited.

496. But there are objects which you could rchase?—There are objects which I should be id to purchase, both among the specimens sent m various countries as well as those which be- ng to private collectors. The Paris Exhibition mbines two things; it is a universal exhibition the usual kind, and a museum of curiosities. ne one class is exhibited by people who intend sell, and the other by persons or corporations o generally have no intention of selling.

497. But supposing those objects could be quired, you think it would be desirable to tain them for the nation?—I think it would be.

498. Mr. *Beresford Hope.*] You went to Paris ecially on behalf of the Christy Collection, but u are known to have studied general art be- les; are you prepared to give any opinion on e general question?—The Paris Exhibition was rcely sufficiently complete to enable me to e any decided opinion, nor did I examine any partment of it with minuteness. In a general y it is very desirable to make purchases at Ex- itions of this kind, for the specimens sent there better than the ordinary run of specimens t you meet with. In the Indian department, instance, there was a carpet which I wished purchase for myself, and I asked the person in rge why it was that I had not been able to get good a one; he said, "Because these things not made in the ordinary way for sale, and u cannot get them unless you have a friend the spot who will have them made for you, or less you purchase them direct from an Exhibi- n such as this."

499. Mr. *Bentinck.*] Was this an Indian carpet? It was a carpet made, I believe, in Cashmere.

500. Mr. *Beresford Hope.*] You are not pre- ed to give us more precise information of the sses of purchases it might be desirable to make the way of applied art?—I am not.

501. Mr. *Gregory.*] You are, I think, the per of the mediæval antiquities at the British seum?—I am.

502. You have heard described the Arab Col- ion, which may be considered as coming under denomination of mediæval antiquities, but I sume you would hardly lay claim to any por- n of that for the British Museum?—I should very glad to see a portion of it there, but as more important specimens are of a very large , and more of an architectural character than liable as antiquities, I should be very glad to them placed at the South Kensington Museum. e museum in which they are placed does not n to me so much to matter as the securing ood specimens for the nation. The bronze vases in the Meymar Collection, to which allusion has been made, are not important, and are not at all equal to those in the British Museum, which are very intact and fine specimens.

503. Mr. *Bentinck.*] But it would be quite in the province of the Trustees of the British Museum to buy them, would it not?—Yes, if they could find a place to put them in.

504. But a separation has been made between the British Museum and the South Kensington Museum?—I am not aware of that.

505. The British Museum do not buy mediæval statuary?—No, they have not bought it generally; I presume because the British Museum has laboured under the great disadvantage of want of space in every branch.

506. *Chairman.*] Do you not think it very desirable that a line should be drawn between the British Museum and the South Kensington Museum, and that the British Museum should not engage in the purchase of modern works of art?—That is a very difficult question to answer; there are a great many things to take into consideration. I should like to see the collections of archæology and art kept together wherever they may be.

507. Mr. *Bentinck.*] What I wanted to ask was this, whether as far as a line could be drawn, a line had not been drawn?—A line is drawn practically in many ways, and there has never been any collision between the two institutions.

508. Mr. *Beresford Hope.*] Would you be prepared to remove the Mediæval collection which is at the British Museum now, and combine it with the larger one which there is at South Kensington, or in some other place, independently of the consideration of where that place might be?—I do not see why the Mediæval collection should be separated from the Antique; it appears to me desirable that these two collections should be kept in the same building in connection with one another.

509. There is a large Mediæval collection at South Kensington, and a small one at the British Museum; do you consider it an evil that these two collections should not be fused?—I see no objection to a selection being made from the South Kensington Museum, and added to the British Museum.

510. Mr. *Seymour.*] You consider that the best place to exhibit them would be the British Museum?—Yes, according to my views.

511. *Chairman.*] Have you had any experience of previous exhibitions of this character?—I have seen most of those that have taken place.

512. And are you of opinion that it is desirable that purchases should be made of the best objects of art and manufacture at these exhibitions?—I think it most desirable that purchases should be made at such exhibitions, but that they should be chiefly confined to specimens, showing novelty of design or peculiar applicability, not mere copies of more ancient works of art.

Tuesday, 9th July 1867.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Beresford Hope.
Mr. Bentinck.	Mr. Locke.
Mr. Bruce.	Mr. Marsh.
Sir Philip Egerton.	Mr. Otway.
Mr. Gregory.	Mr. Potter.
Colonel Hogg.	Mr. Seymour.

AUSTEN HENRY LAYARD, Esq., IN THE CHAIR.

THOMAS HENRY HUXLEY, Esq., F.R.S., called in; and Examined.

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513. *Chairman.*] I UNDERSTAND that you have not been to Paris?—I have not been to Paris.

514. Therefore you cannot speak, specifically, as regards the Exhibition there?—No; I have no knowledge of it.

515. Nor of its contents?—No.

516. As a general rule, do you think it advisable to purchase objects of science; I allude especially to specimens of natural history, and to the applied sciences in exhibitions of that kind?—I am of opinion that it is very desirable. If there are any things in the Paris Exhibition which we have not in our own Museums, those things should be acquired for our Museums.

517. Were there any specimens in former Exhibitions, either in England or in France, which you thought it desirable to acquire for the nation?—In my own particular line of work, I do not remember anything very striking.

518. You were never called upon to recommend any purchases?—No; I speak entirely of my own line of work.

519. What would that be?—Specimens of natural history and collections of anatomical objects. I remember in the last Exhibition there were some very fine preparations by Professor Hyrtl, which, to the best of my recollection, were afterwards bought by the College of Surgeons, but I do not at present call to mind anything else.

520. Have you heard of the discovery of a certain Paduan doctor, named Brunetti, for preserving the human frame, to whom the French have given one of the great prizes?—I have heard of the process.

521. You may have heard that he has got a considerable collection of preserved specimens; do you think it desirable to acquire some of them?—I have heard that the collection exists; but without having had an opportunity of examining it, and ascertaining for myself how far the process is a good one, I should be sorry to give an opinion upon that point.

522. Presuming that the process is a good one, and deserving the high approval which the French scientific world have given to it, then do you consider it would be desirable to acquire specimens?—I should imagine so.

523. Of course you have formed no opinion of the sum which might be expended for that purpose?—No, I have not. The hope of an expenditure of any large sum of money on scientific objects by the Government would probably be somewhat chimerical.

524. If purchased, where should they be placed?—It would depend upon the nature of the specimens; I presume that the British Museum would be a very appropriate place for some of them; such specimens as you were speaking of just now would be well placed in the Museum of the Royal College of Surgeons, but then that Museum is not supported by the State.

525. At the South Kensington Museum, would such objects find a place?—I imagine so; there are very few objects that might not find a place in the South Kensington Museum.

526. And in other museums affiliated to the science and art department?—Yes.

527. In Dublin and Edinburgh there are museums of natural history and other sciences which are affiliated to the Science and Art Department, are there not?—Yes, and the museum in Jermyn-street also. But the museum in Jermyn-street is practically confined to British fossils; therefore, so far as fossils are concerned, I am not aware that there would be anything in the Paris Exhibition available for the Jermyn-street Museum; but it may very possibly be that there are geological models and models of mining apparatus, and possibly mineral specimens which might be suitable for us, but I am no judge upon that point.

528. Supposing that there are in the Paris Exhibition any models of new machinery for working mines, or for working the metals after they are extracted, are you of opinion that it would be desirable to acquire them for the Jermyn-street Museum?—I think so; my colleague, Professor Smyth, is the proper person to speak to that; but I have no doubt it would be so.

529. You are of opinion that it is advisable that any improved machinery should be known in this country, and that models and drawings should be acquired, if possible, for exhibition?—I think

think it proper that the natives of this country ıould have access to all the best aids to science ıat can be obtained, whether they be examples natural history, or mining models, or things ɔplicable in the processes of the arts.

530. Is it your opinion that money would be ell spent by the Government in acquiring such ıodels, supposing we received a report from cometent scientific men as to the novelty of the ıventions which they illustrate?—I think exemely so, provided they could be made accesble to the public. At present there is a consierable want of access.

531. The Jermyn-street Museum is open to the ublic, is it not?—Yes, during the week-days; ut when I spoke of Museums not being open to ıe public, I referred to the working men who ave no leisure to see them in the week.

532. Are you aware that the South Kensington Iuseum sends objects for exhibition into the rovinces?—I believe so.

533. Does the Jermyn-street Museum do the ame thing?—Many of the objects in our museum re not at all fitted for circulation.

534. Supposing you had machinery which ould be useful in the mining districts, would it ot be desirable to circulate models of it?—If we irculated them, we should, *pro tanto*, diminish the ɔmpleteness of our museum, which is limited in xtent, and has no duplicates.

535. Mr. *Marsh.*] With regard to the natural istory in the Exhibition of 1862, was your atntion called to the collection of birds and the xhibition of the things that they eat?—I have ɔ very clear recollection of that.

536. I suppose the College of Surgeons buys ings constantly?—Yes, it does.

537. And looks after itself?—Yes; but I preıme that it would be very glad of donations of luable objects.

538. Mr. *Gregory.*] I presume you say that ıy objects that are purchased at the Paris xhibition for scientific purposes should be purıased entirely upon the report of competent ientific men?—I think that it is particularly esirable.

539. Do you think it should be stated in that port for what public establishments the articles ould be selected?—I think that the curators of ose public establishments should be consulted, order that we may be quite sure that we are not nding duplicates to those establishments. It quite impossible for a person not familiar with e British Museum, for example, to say whether ıy given objects are duplicates, or not.

540. It is the person who is best acquainted th the wants of each institution, who should be lled upon to report as to these objects which ould be purchased?—So far as his own partilar museum is concerned.

541. Sir *Philip Egerton.*] I believe you have a arliamentary grant out of which to make purases for your museum?—Yes, in Jermyneet.

542. The expense for all ordinary additions to e collection would be defrayed out of that nd?—Yes.

543. So far as you have heard, there is nothing particular which will require a special grant of oney?—I can only speak of the collection of ssils. I do not know what there may be in the ıy of mining models and machinery; there may desirable things of that kind.

544. There is a School of Mines attached to your institution, is there not?—There is.

545. In your opinion, all things which are appropriate to mining should be deposited there instead of circulating them through the provinces?—I think that a complete collection of the objects which illustrate mining should be deposited in our museum, and remain there; but that does not interfere with the circulation of other sets of such objects in the provinces.

546. Mr. *Locke.*] What class of people are they who you think would be benefited by seeing these models?—I think that all classes of people might be benefited by seeing them.

547. But are there any who would be specially benefited?—Those who would be most benefited would be those who are engaged in the arts which such objects illustrate; but I think it would be very desirable that the general public, and especially the operative classes, should have the means of understanding what are the great instruments upon which our well-being depends.

548. Did I understand you to say that they have not that opportunity at present?—I do not think they have, the museums being only open on week-days, which are not the holidays of the working classes.

549. Do you propose that the museums should be opened on Sundays?—Yes, certainly.

550. Do you think it would be beneficial to the public to see these museums on Sundays?—Eminently so.

551. *Chairman.*] They see such museums at Kew Gardens on Sunday, do they not?—They see botanical products; there is a very excellent botanical museum there.

552. And a collection of woods?—Not only a collection of woods, but there is a very fine collection of vegetable products.

553. Do you know Professor Wyville Thomson?—I do.

554. He has recommended the purchase of certain things at Paris; amongst them are two very beautiful collections in comparative osteology from Austria, a series of fossil bones from Australia, and a large collection of articles showing the method of preparing paper from wood, contributed by Russia. Are they collections which you think might be advantageously acquired for the nation?—I have no doubt that the things themselves are very good; Professor Hyrtl's preparations are celebrated everywhere. I have mentioned that a large collection of his preparations was purchased for the College of Surgeons; but, of course, unless I knew whether the particular objects now in Paris were already possessed by our museums, or not, I could not recommend their purchase.

555. Presuming that they are not already acquired, and that it is desirable to acquire them, you would have no objection to their acquisition?—No.

556. Mr. *Gregory.*] Do you think a collection of osteology comes within the scope of the Kensington Museum?—It depends upon the purport of the collection. The Kensington Museum contains a large quantity of educational objects, and supposing this collection of Professor Hyrtl's could be turned to educational account, I should think it might find a place in the museum.

557. Taking that expression of yours, is there anything on the earth, or under the earth, almost, which might not be included in this multifarious

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collection at South Kensington?—I am not aware that there is.

558. With reference to medicinal plants, might they not come within the province of the directors of Kew, where we have a collection of plants?—The answer to that must depend entirely upon the definition of the purpose of the Museum at South Kensington, and I am not prepared to give one.

559. Have you ever seen any?—No; and its contents are so exceedingly various, that as you said just now, I am rather doubtful as to what might not be included in it.

560. Do you think it might be desirable to have some limitation at South Kensington?—That is a question of State upon which I would hardly venture to give an opinion.

561. Mr. *Ayrton.*] You are Professor of Natural History, are you not?—Yes, I am.

562. That is not a department in which South Kensington is at all concerned, it belongs to the British Museum?—Not at all; I am Professor of Natural History in the Royal School of Mines, in Jermyn-street, and we are under the Department of Science and Art.

563. Mr. *Beresford Hope.*] For any additions to your museum you must go to the Department of Science and Art, must you not?—Yes, certainly; the grants are made through the Department of Science and Art.

564. Mr. *Ayrton.*] At the Jermyn-street Museum they only concern themselves with fossil natural history, and not with existing present natural history, do they not?—The natural history collection in that museum is limited to the fossils of Great Britain and the colonies, but at present Great Britain alone is represented. But we also need a certain number of recent natural history specimens, to illustrate the lectures of the professors of natural history.

565. But I mean natural history as applied to fossil natural history?—That is the great object of our collection.

566. There is no study of natural history as a separate science, but only as required for the understanding of the School of Mines in Piccadilly?—It must be studied as a general science before it can be made particularly applicable.

567. But its application only has reference to geology at Piccadilly?—The principles are taught and the applications are made by the persons who are taught.

568. But it is a school for geology, is it not?—It is to a certain extent a school of natural history; my lectures are largely devoted to pure natural history, because no student could understand the fossils unless he understood a good deal of pure natural history.

569. He could not understand the bones of the fossil unless he understood the bones of the living animal?—Exactly.

570. And in that sense you teach it?—Yes.

JOHN CHARLES ROBINSON, F.S.A., called in; and Examined.

J. C. Robinson, F.S.A.

571. *Chairman.*] WILL you be good enough to tell the Committee what office you hold in the Science and Art Department?—I should like to be allowed to read the definition of my duties. Generally speaking, I believe, I am responsible for furnishing the special knowledge of art, as the basis on which action is taken by the Board (that is, the Lord President of the Council) in all matters of the acquisition of specimens to the Art Museum; and also, I think, by the terms of my appointment, I am the proper authority to advise the Board in regard to the classification and arrangement of the specimens acquired. A Minute of the Committee of Council on Education, dated 17th March 1863, created two permanent Art Referees of the Kensington Museum, one (in the words of the Minute) "responsible for advising the Board in respect of the purchase of all classes of objects of art, except modern pictures, sculpture, and engravings, these exceptions (dating from 1750) to be assigned to a second referee." I am the first named of these officers, and Mr. Redgrave is the second. Practically, the great bulk of the acquisitions to the Kensington Museum lie within my province, including all works of ornamental and industrial art whatever, whether ancient or modern. I have exercised these functions, more or less exclusively, since the foundation of the museum. Previous to 1863, my duties were of a more comprehensive, but less definite nature. I was then styled Superintendent of the Art Collections. Nearly all the important specimens, many thousands in number, added to the Museum since its commencement, were either directly sought for and acquired by me, or, when offered by others, purchased on my recommendation, made in the form of detailed written reports, to the Lords of the Committee of Council. It has always been my special business (in the words of my appointment) "both at home and abroad, to seek for and recommend objects suitable for the Art Museum for purchase or on loan." In fact, I believe I am the officer with whom the practical disbursal of the annual grant for the Art Museum should mainly rest. For all objects purchased, a written report or recommendation, more or less specific and minute, according to their nature and relative importance, should be furnished by me, and proper rules exist for the authorisation of the propositions made in such reports with sufficient promptness by the Board, or on behalf of the Board, by specified officers of the department. All these reports should be kept in the registry of the department, and be forthcoming at any time, and I hold myself directly responsible in respect of them. To this course there should, I believe, be but one exception; it is the purchase by the Art referee of objects on the Continent, under imprest. It has been, from the first, an established part of my duty to make every year an expedition on the Continent in search of works of art; money is advanced to me for this purpose; but on such occasions it is obvious the system of report and authorisation cannot be carried out, but for all purchases made during these journeys proper vouchers must be rendered on my return. A great proportion of the most valuable works now in the museum has been from year to year obtained in this manner. It has also, from the first, been my particular duty to recommend and originate all casts or other reproductions of works of art in museums and public buildings both at home and abroad. These are my principal duties. I expect that a reasonable allowance should be made for inevitable errors in judgment in carrying

ing them out; but I wish it to be understood that I accept the fullest measure of responsibility in respect to the authenticity and suitableness of all objects either directly acquired by me or obtained on my recommendation.

572. Mr. *Bruce.*] We want to know what position you hold now?—I hold the position of art referee.

573. *Chairman.*] That is to say, that yourself and Mr. Redgrave are joint referees in the Science and Art Department?—Yes.

574. Your precise duties are, therefore, to recommend and report upon objects for purchase by the Science and Art Department authorities?—Within the limits stated.

575. Do you attend the meetings of the Board?—Not usually; but by the terms of my appointment it rests with the Lord President to call me when the Board seems to require my attendance.

576. Is your attention directed to particular objects, or is it your duty to report upon objects which you may become acquainted with in your experience?—It is my duty of my own proper motion to recommend objects for acquisition. I should say my current duty is to search for works of art.

577. Have you been to the Paris Exhibition?—I have.

578. Do you go there in discharge of your duties?—I went as an associate juror in association with Mr. Gladstone.

579. Have you made any report upon the objects exhibited at the Exhibition?—I was asked to make a report as a juror, and I did so.

580. Does that report refer to objects which it would be desirable to purchase for the nation?—Yes, as works of art.

581. What do you mean by that term?—Works of industrial art; I have nothing to do with science.

582. Do you mean art as applied to manufactures?—I should say all objects, such as specimens of furniture and pottery, or objects of that kind, which you may call industrial works, in which art is the main feature.

583. Have you made a report upon such objects?—Yes, I have made a report.

584. Containing any recommendations?—Yes, I recommended certain things to be purchased; but I should state that I did so, supposing that a special grant would be obtained, otherwise I should wish to make no recommendations, that is to say, if the current grant of the year were to be applied for the purchase of things in Paris; but if a special grant is to be made, then I hold to my report.

585. You have made recommendations that certain objects should be purchased for exhibition and circulation in England in connection with the Department of Science and Art, supposing a special grant could be obtained?—Yes.

586. Are you of opinion that it is desirable that such a special grant should be obtained?—I think it is very desirable.

587. Did you have any experience of the previous exhibitions?—Yes, in 1855 in Paris, and in 1862 in England.

588. Did you then make a report upon objects which it was desirable to purchase for the nation?—I made selections of objects in connection with Mr. Redgrave and Mr. Cole.

589. Mr. Cole, Mr. Redgrave, and yourself were joint commissioners?—Yes.

590. And were those objects purchased upon your joint recommendation?—There was no written recommendation; they were selected by us, and were purchased.

591. Where are those objects now?—They are now in the South Kensington Museum.

592. Are they used for circulation in the provinces?—I think they are mainly deposited in the Museum as permanent specimens. I do not think modern specimens of art are so well adapted for circulation as objects of ancient art.

593. Do you think the effect they have had in improving in taste the manufactures of this country would warrant similar purchases being now made?—That is a difficult question to answer. I do not think that works of modern art do improve taste very much; but I think it is desirable to have them, in order that they should become, as it were, historical records of the state of art at a given period. There are, nevertheless, sections in the Exhibition in which objects might be bought with a view to circulation. I should think works of Oriental art would be valuable; but for the direct instruction of students and manufacturers, I do not think that works of modern art would be so good as other works which could be purchased with the same money.

594. You do not think that works in porcelain or glass from other countries in Europe would have a beneficial effect upon our manufactures?—*Quâ* manufactures they might, but not to any great extent in point of art. I think it very possible that purchases might be made directly to improve manufacture, as such.

595. Is it not the object of the South Kensington Museum to improve our manufactures?—Doubtless it is, in the long run; but it is an Art Museum; I speak from that point of view only.

596. In your view, the South Kensington Museum should be rather a collection of objects of art and curiosity than a museum to improve our national manufactures?—I think the ultimate result would be to improve manufactures; but it has been called a museum of ornamental art, and I believe it was founded with the view of improving the public taste in general.

597. Is it not the opinion of the public that the South Kensington Museum is devoted to the improvement of manufactures?—In the long run, yes.

598. With regard to the purchase of objects at Paris, would you recommend money to be spent in the purchase of objects of English as well as foreign manufacture; for instance, would you purchase a cabinet made by an English manufacturer, or a glass made by an English manufacturer?—Yes; I should not entirely exclude English specimens.

599. I presume you would prefer, if the money to be spent was limited, to buy foreign objects, would you not?—Yes; in that case I would give the preference to foreign objects.

600. Have you formed any opinion with respect to the purchase of lithographs, pictures, or drawings?—No, I have not; those do not lie within my province.

601. Did you make any report upon the Meymar collection?—I did.

602. Did you report favourably with regard to it?—I reported in favour of the purchase of certain selected specimens from it.

603. Are you acquainted with Arab art?—I have seen a good deal of it in Spain; there is in

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that country a great mass of ancient art of that origin.

604. Are you acquainted with the Arabic character; can you read it?—No, I cannot.

605. Are there any other objects of that description that you would wish to mention to the Committee?—I do not think there is any other collection than that which is available.

606. Have you formed any idea of the amount of money which it would be desirable to expend in Paris?—I have formed no definite idea; I should think from 10,000 *l.* to 12,000 *l.* might be a reasonable sum; but I have not given any attention to that.

607. Would that include objects of science as well as of art?—That I cannot speak to.

608. You are speaking of your own province when you state that 12,000 *l.* might be well spent in that department?—Provided you could obtain the specimens. I am afraid you would find many specimens are already purchased.

609. But supposing that many of the specimens are still on sale, you think that 12,000 *l.* might be spent in their purchase with advantage?—I do.

610. Will you be kind enough to state to the Committee whether the objects which were formerly purchased for exhibition in the South Kensington Museum have increased in value?—I have no doubt they have.

611. So that the value of the collection in the museum is very much larger than it was some years ago?—It is.

612. Will you be kind enough to state to the Committee how, in your opinion, the South Kensington Museum stands with regard to other museums of a similar character in Europe?—It is too miscellaneous in its character, and it requires weeding and rearranging; but taking that part of it which I think is really valuable, and which will ultimately stand as the museum, I should say it occupied the first place of its kind. It does not possess, in some sections, great treasures, such as the Louvre, or the museum at Vienna possess; but it contains a vast series of objects, amongst which are many admirable gems of art; and, on the whole, the collections are larger and more important than those of any other similar museum.

613. Could you give any other instance of so large a collection having been made in so short a time?—No; there is no such instance, and it never could be made again.

614. Mr. *Beresford Hope.*] You made a distinction between manufacture and art in reference to the South Kensington Museum, do you not consider that a main object of that museum was to bring art principles into direct relation with manufactures?—Yes, I do; I think that was the main intention of it.

615. Then would you consider that the purchase of specimens for the South Kensington Museum ought, in some degree, to be purchases of specimens which would instruct our manufacturers?—I think they should be solely of that class.

616. In that light I think you state that specimens could well be bought at Paris?—I think there is no doubt that specimens which could be bought now would, to a certain degree, instruct manufacturers; but I do not think that modern works would instruct them so much as ancient works.

617. You think in that view it would be desirable to make such purchases?—I think it would.

618. I think you were a juror in the ceramic class?—I was an associate juror.

619. Did you confine your investigations chiefly to your own class, or did you go beyond your own class?—I went pretty well all over the exhibition.

620. Generally speaking would you advise the purchases to be made of English or foreign goods?—I think they should be rather from foreign sources; but I do not think you should neglect England altogether.

621. Would you buy them from the whole field of foreign art manufacture, or chiefly from the French?—I am afraid you would find in respect of great excellence that you would scarcely take from other countries than France and England.

622. On the whole you think that while you might buy an exceptional article here and there, your main purchases should be from France and England?—I do; I would except oriental things. I think you might make a considerable selection of works of oriental art.

623. At former exhibitions Russia has been rather a gorgeous producer; does she keep up that character?—Russia produces certain special things which are not in the market. The Russian mosaics are very important, but they are not in the market; they were done for the Government for the public buildings. There are some other quaint and original things, but not of any positive merit. There are sections, such as the jewellery, in which the modern works show that they have descended from better models.

624. Would you advise the Castellani collection to be bought?—Not as a whole; that is a collection of modern Italian peasant jewellery, such as you can pick it up in the country for a comparative trifle. I have acquired specimens in that way myself.

625. Are you in favour of the purchase of any modern pictures from the French Exhibition, to be deposited not in the National Gallery but at South Kensington, for the instruction of our artists?—That is not directly within my province. Mr. Redgrave will speak to that.

626. I ask you as an expert?—I think in buying pictures, they ought only to be very good pictures and not cheap common ones.

627. Are you of opinion that, within the scope of a few thousand pounds, you could buy some very good pictures, and yet keep a margin for the necessary purpose of applied art?—I do not think you could, because all the very good pictures are sold already in the Exhibition.

628. And you would not buy a cheap and unimportant picture to teach artists what they do in France?—I would not myself.

629. In your own class of ceramics, did you notice any phenomena?—No phenomena. I think there is an advance in some directions; the French have made progress in what they call *faïence* (earthenware). There are one or two manufacturers who have produced novelties, but I do not see any very special progress in ceramic art since 1862.

630. The potters of England and the Continent have about kept their own since then?—Yes, I should say they have remained at about the same level; I do not see much novelty in their productions.

631. Do you advise the purchase of any pottery for

for our schools of art?—I would recommend a very few purchases only.

632. Do you think that such progress as there is, has been more in the French, or in the Italian school?—In the French, not in the Italian; I think there is rather a retrogression in the Italian. I think, for instance, that the pottery of Ginori has not advanced since 1862.

633. Then on the whole you are favourable to a certain amount of purchase, particularly in the French department, for our instruction at South Kensington?—Yes, I should like to divide my recommendation into groups, as it were. I think, first, you might purchase a certain number of very important typal works of great cost, such as have been made expressly for the Exhibition; those, I think, should remain as historical records at South Kensington; secondly, I think you might purchase specimens of oriental art; in particular, things that would teach in point of colour; and as to the third division, though I do not speak with any authority upon this point, I think possibly you might buy specimens of mere manufactures; but those should be given to the localities permanently. Take the case of Manchester, or the Potteries, or Birmingham, you possibly might find continental productions that would directly benefit the manufactures of those places. In that case, the objects might be selected by the towns themselves; I think, for instance, it would be a good plan if the masters of the schools of design and local committees were formed to select such things.

634. Are there any antiquities for sale in the Exhibition which it might be desirable to buy from the Loan collection?—There might be, but they are not presented for sale; I think by investigation you might discover certain things which the owners would sell.

635. Do you think that if some of them were purchasable it would be desirable to obtain them?—Certainly; but I do not think you would get many.

636. Mr. *Marsh.*] You said something about Oriental art in Paris; are the articles in that branch really in good taste, and such as you would wish to have in this country, or is it not so high a taste?—It is not the same kind of taste, but it is a genuine taste; for instance, in point of colour, I think the Indian and Persian textile fabrics exhibit beautiful combinations. There is something in their taste which has come down from father to son, and which is purer than modern art in certain classes of things.

637. You think we might learn colour from the Oriental court?—In this particular I think we might.

638. I want to know if there is anything good from Austria?—I did not notice anything specially remarkable in the Austrian contributions; Hungary has sent some good specimens of china.

639. Mr. *Gregory.*] With reference to Oriental art, do you allude to making selections from the Chinese and Japanese collections as well as from Egypt, Morocco, and Tunis?—I should say rather from Egypt and Tunis, than from Japan and China; I do not think the contributions from the latter countries are so important as they were before; and, moreover, there are constant opportunities of acquiring currently these things from China and Japan.

640. Is there a good and well organised collection of Oriental art in the South Kensington Museum?—No, there is a certain amount of it there; but I always considered that it was not particularly within the province of the South Kensington Museum. I have always had an idea that there ought to be a special Oriental collection somewhere in this country; there is the nucleus of one at Whitehall, and I should like it to be further developed.

641. Are you acquainted with the Indian Museum at Whitehall?—Some years ago I was sent to inspect it, and reported upon it.

642. Is there a large and in any way complete collection of specimens of Oriental ceramic art there?—There is an important collection of art of all kinds, chiefly of Indian origin; there are some very extraordinary things, which probably never could be had again; I think the decorative arms are very important indeed, such as jewelled swords; the jewellery is very important too.

643. Having reference to the objects of the South Kensington Museum for the improvement of our manufactures, and laying the stress that you do upon form and colour, do you not think that there ought to be a complete collection of Oriental art; by Oriental, I mean Chinese and Japanese?—No, I think I would only make a collection there for practical use, that is, for circulation to the provinces; but I think Oriental art, especially that of our Indian empire, ought to stand upon its own basis somewhere else as a complete collection.

644. You laid great stress upon this, that any objects purchased at the Paris Exhibition should come out of a special grant, and not from the current grant?—Yes.

645. I suppose you consider that the current grant would not be sufficient to defray the outlay which you might have to make in the course of the year upon objects of ancient art?—It would be quite insufficient to do so. I think it is vastly more important to secure the objects which present themselves casually in the category of what may be generally called ancient art, than these modern articles, because every year works of ancient art will become scarcer and scarcer, and indeed the time will come when they will be withdrawn from the market. Other nations are now competing with us. There is a new museum being founded at Berlin; another in Vienna; and a third in St. Petersburgh; and there is a re-organization of the same kind at Munich; they are all beginning to enter the field against us, in the specialities directly represented at South Kensington.

646. Having much the same scope, and containing the same class of objects?—Yes.

647. Therefore, it is to exhibitions such as this at Paris you would look for specimens of modern art?—I think it is only at these exhibitions that you should purchase specimens of modern art.

648. And you would object to purchase them at ordinary times?—I think it would be inexpedient to do it at ordinary times. If you were to buy articles constantly in the ordinary way, you would establish a kind of patronage of modern art, which might ultimately resolve itself into a very objectionable system.

649. Besides that, at these exhibitions you have a power of comparison with similar specimens from all other parts of the world?—Yes, that is one of the particular reasons why you should buy in this way, and not out of the ordinary current grant.

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650. You know the purchases which were made at the Exhibitions of 1855 and 1862?—I do.

651. Do you consider that those articles purchased were very valuable as a general rule?—I have a prepossession, I must say, in favour of ancient as compared with modern art. I think that certain things were purchased at those exhibitions which it would have been as well not to have purchased. There was no proper rule laid down then. I would rather that we had selected only important typal things. I think that there were a certain number of unimportant objects bought which might have been dispensed with.

652. Were there not a number of gifts made of things which were left behind?—Yes, there were; but I would strongly advise that none should be accepted in future. I do not think there was a single good thing given, but a great deal of rubbish.

653. You think that those things are rather incumbrances than otherwise?—As a general rule, you may say gifts are incumbrances, rather than otherwise. You seldom get anything good given.

654. I think I understood you to answer the Honourable Member for Stoke, that you would, in purchasing, proceed, in the first instance, looking to the Central Museum; and, secondly, having regard to the distribution of objects, to provincial museums?—Yes.

655. Would you not purchase objects also for temporary exhibition in schools of art?—I include that in the second category; I think you would circulate them to schools of art and local exhibitions, in the one case, to instruct, and in the other case to amuse; because, really, I think local exhibitions are usually more for amusement than instruction.

656. With reference to the objects for circulation, what kind of objects would you be prepared to purchase; would they be casts or electrotypes?—I think so. It is highly important that you should send good things to the provinces, and not second-rate ones; second-rate things do not instruct; they rather tend to lower and vitiate the public taste.

657. You would prefer rather to give representations than originals?—The originals are too costly and too rare to send; I think the works circulated in the provinces should be mainly reproductions and casts.

658. You would avoid imitations of ancient art?—I would; but there are certain things which you might circulate with advantage; you might, for instance, circulate a few specimens of majolica, or Palissy ware, or antique jewellery; but they should be only typal specimens, and you should supplement them with a larger collection of reproductions (casts, drawings, &c.), from very fine original examples.

659. You have stated that you were afraid that most of the best objects which it might be desirable to purchase in the Paris Exhibition, have been already purchased?—I am afraid that that is the case; I was alluding particularly to the walnut-wood cabinet by M. Fourdinois; I have heard that that is sold; one cabinet is in marquèterie, and the other is in plain walnut wood. I prefer the latter, but I hear that that is sold. I think it would have been well to have had that cabinet, not that I consider it an entirely good work of art, but I regard it as the ultimate term and expression, if I may so express it, of the current style of French *renaissance*; I should think nothing better will ever be done in that peculiar manner, and besides that, the workmanship is admirable; you might, perhaps, have it copied, if it is sold.

660. In case objects of this kind, which it might be desirable to procure, are sold, would you propose to obtain reproductions of them?—I think you might get another cabinet made by M. Fourdinois, and, perhaps, with improvements.

661. You were asked a question with regard to the loan collection at Paris; do you think that any selections which might be obtained from that would more properly come under the head of the annual grant?—I think if anything important could be obtained, you should buy it from the special grant, but I doubt if you could buy, to any extent, from that collection; there was one object, which it appears has been sold, in the Russian department, viz., a very fine majolica vase, which I hear has been bought by one of the Messrs. Rothschild; I was told it was not for sale, but I hear now that it is sold.

662. Have any valuable specimens to your knowledge ever been lost to the museum, on account of your absence abroad in travelling for the museum. Have any objects been presented to the museum, and been rejected in consequence of your absence?—I do not think any single object of importance has ever been lost; usually when I have gone abroad it has been in the autumn, the season when people are away, when dealers cease their operations, and when everything is practically in abeyance; there need be no apprehension on this score.

663. Are you under the control of the Inspector General of Art in any way?—No, not in any way.

664. Mr. *Bentinck.*] I have gathered from what you said, that you consider it more desirable that good old work should be bought than modern imitations of any kind?—Yes.

665. You mean to say, reproductions of old work?—I think you should not buy any modern reproductions of old work in Paris.

666. Did you hear Mr. Webb's examination the other day when we last met?—I did.

667. You are aware, perhaps, that he gave evidence to the Committee upon the subject of plate, and ceramic ware, and furniture, and all descriptions of what you call industrial art?—Yes.

668. And he spoke of the great superiority of French plate to English plate. Now at page 21 of the evidence of Mr. Webb, he refers, in the first instance, to the great ability of the French jewellers, and of their artists who bring their art to perfection in copying articles of the mediæval period; what I wish to ask you is this, whether you think it is not undesirable to buy articles which are merely copies of the French mediæval period, when original specimens can be had?—I do think it is undesirable; I think, as a general rule, you ought not to buy mere reproductions of mediæval things.

669. Then the principal objects of French jewellery, which are superior to ours in the matter of design, are in point of fact copies of mediæval and cinque cento work?—I think that in jewellery the French are superior to us.

670. I am speaking of plate?—I cannot say that the French silver plate is particularly good; generally speaking, I do not think that their plate is equal to their furniture and their bronzes.

671. Let

671. Let me confine your attention at present to plate; do you think there is any object of French plate exhibited, which it is desirable to acquire for the purposes of our museum?—I did not notice any objects myself, but there might be; I remember, in the Exhibition of 1862, we had a difficulty in finding anything specially good in the way of plate.

672. Would you recommend any of those articles which are copies of the mediæval period, to be bought?—I think it would be better not to buy them; rather than that, you had better have casts of the originals. I am strongly of opinion that a fine cast of a mediæval thing is vastly better than a debased imitation of it.

673. Have you seen any object of plate especially which you would recommend to the Committee as being an object which it is desirable to acquire?—Not of French plate; but there is an object of bronze and silver in Barbédienne's collection, which I did recommend among others.

674. Mr. *Seymour.*] Were those reproductions?—No, they were original work; I do not think that I recommended any reproductions.

675. Mr. *Bentinck.*] Is there anything in the jewellery which you would especially recommend?—In jewellery there was a great difficulty; in many cases the jewels themselves are so enormously expensive that one would have a reluctance in recommending them to be bought; still I think that the French are in advance of England in the point of jewellery. If you do buy works of jewellery, you had better get them in the French than in the English court.

676. With regard to M. Castellani's collection, did I understand you to state that you could buy old specimens of jewellery better than new ones?—These are entirely new ones. I said you could buy modern jewellery of the same kind in Italy and Spain at a very moderate rate; I do not think it would be advisable to pay 2,000 *l.* for what you could buy perhaps for 400 *l.* I have collected a considerable number of things of the same kind. You can buy them in Spain often for a few shillings each; they are always being made; they contain reminiscences of ancient things; but I think you had better buy one good piece of ancient work than these comparatively rude and primitive modern things.

677. In the matter of ceramic work, Mr. Webb says, his opinion is that there are certain classes of *faïence* that the French are wonderful in; "What class is that?" was the question put to him; and he answers, "In imitation, following the Italian style of majolica." You are of opinion that there is a very fine class of majolica in the South Kensington Museum at present?—Very fine.

678. Do you think it is desirable to add to that any modern specimen for the benefit of industrial art in majolica?—I doubt if it is.

679. Do you not think it quite enough to have the old specimens which are still to be found in the museum?—I think it is better; but at the same time it was not a bad thing to purchase a few things from Ginori, to mark the era when they began to reproduce majolica.

680. That was the Italians?—Yes.

681. Is there anything in the way of *faïence* or majolica, that you would recommend to be purchased?—There are one or two manufacturers who have produced novelties; there is an exhibitor named Deck, and also Colignon; the ceramic jury recommended those two very strongly, and certainly they have produced important novelties.

682. You would recommend specimens to be bought in that class?—I should.

683. And in china also?—In china there is less progress; that is pretty much the same as it was; Sèvres has made no great effort.

684. You are not prepared to recommend anything in the way of china?—I did recommend one vase as an important piece of work, but there was no particular novelty in it.

685. Then with respect to furniture, is the furniture which is exhibited in the Exhibition anything but a copy of old work?—I think there is greater merit in the furniture than in any other section. I cannot point to any one piece which is absolutely novel, but there are some ingenious adaptations from ancient styles, which, to a considerable extent, depart from the old work.

686. Is M. Fourdinois' cabinet a new work?—It is based on the French *renaissance*, but there is a considerable amount of originality about it.

687. Not copied from one in the Tuileries Museum?—No.

688. Do you not think you have specimens enough of ancient furniture in the museum already, quite sufficient to cultivate the taste of anybody who wants to improve modern furniture?—There is an important collection there, certainly; but I do not think we are especially strong in furniture.

689. Is there anything which you would be prepared to recommend?—If you got a special grant, I should recommend the purchase of the cabinet of M. Fourdinois and other specimens.

690. Not copies from old works, but original in design?—Yes, substantially original in design.

691. Mr. *Locke.*] I understood you to state that no proper rule was laid down with regard to purchases upon the last occasion?—There was no very definite rule, I think.

692. What rule would you lay down now?—First of all I should wish to see the most important typal specimens, the finest pieces of work in the different sections, purchased for the Kensington Museum; then articles in the Oriental sections for schools of art; and, finally, I think, it might be desirable to recommend certain objects for the direct improvement of manufactures; but those, I think, should be given to the manufacturing towns in the country.

693. How do you define typal objects?—Perhaps I use the term typal in a rather vague manner, but I think in regard to any great manufacturer who has done his best for this occasion, his best work may be taken to be his typal work.

694. His best production?—Yes, his best production; and if the jury have stamped that work by the very highest award, in its class, then as the best article that the age can produce.

695. What advantage would it be to buy that?—I think, to begin with, a certain amount of direct instruction would be conveyed by it. In the matter of French furniture, the instruction might be mainly, in a technical point of view, by showing how clever the French workmen are; displaying their dexterous execution and generally the taste and skill shown in the production of their work.

696. Have we not numberless examples of that in ancient carvings?—I think we have.

697. Do you consider that the French carve as well as Gibbons?—I think they carve quite as well, technically; but, perhaps, not often with the same taste.

698. Is the production good?—I do not think

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think we are quite as good judges of that as future ages will be; but, speaking for myself, if I had to decide between the works of Grinling Gibbons, and that of Fourdinois, I should decide in favour of Grinling Gibbons.

699. Did you ever go to Petworth?—Yes, I have been there.

700. Did you ever see the carving there?—Yes, I have.

701. That was done by a young man who works there, under the auspices of Lord Egremont, was it not?—Yes, but I think he only executed copies in Gibbons' style.

702. But he likewise invented a great number of pieces, did he not?—Yes, but of the same style.

703. Your notion is, that it would be desirable to buy those specimens which you have referred to, as specimens of the best productions of France?—Yes.

704. At the same time there are plenty of things to copy from, without that?—Yes, but they are different things.

705. What is the expense of the cabinet of Fourdinois?—I think it would be about 1,000 *l.*

706. Do you think it is worth 1,000 *l.*?—I have no doubt that it is.

707. Mr. *Beresford Hope.*] Is it money's worth?—Yes, I think it is.

708. Mr. *Locke.*] Is it money's worth for the working man to look at and to improve by?—I think I may say, yes; but there are other reasons besides that for purchasing it.

709. What are those reasons?—I think, as a kind of historical specimen, you ought to buy it. I think any public museum ought to endeavour to represent the history of art, to a certain extent, from century to century, and from time to time; and the best way of attaining that object is by buying things on such occasions as this, at intervals, say of 10 or 12 years.

710. Do you think that making an historical collection is necessary for the purpose of carrying out the objects of this Committee; namely, selecting articles to be useful to the manufacturing industry of Great Britain and Ireland?—I think, incidentally, if not directly, it will be useful.

711. Not directly, you say?—Both incidently and directly.

712. You have been asked about French productions in ceramics; did you go into the Sévres Court?—Yes, frequently.

713. Did you observe nothing there which, to a certain extent, was novel?—I observed a great deal, but a very little that was novel. I was on the jury in 1862, and the present Director of Sévres was also a juror then, as he was on this present occasion; I have had a great chance of knowing the progress which has been made at Sévres, and I am sorry to say that there has not been much progress made at Sévres since the Exhibition of 1862.

714. Is there not one description of china exhibited which has claims to novelty?—You are referring to what is called *pâte sur pâte.*

715. Yes?—I think there is no great progress made in that respect. I think in 1855 even, there were specimens, and my impression is that the specimens produced in 1862 were quite equal to those which are produced now.

716. Is there no improvement in that respect?—Not much, if any.

717. But they are put forward as the best they have?—They are.

718. And they are the most expensive?—They are; the process is technically very interesting and very difficult; we did purchase some specimens in 1862. I have noted one vase which, I think, it would be desirable to try to procure.

719. What are the greatest novelties in the Ceramic Court?—The *faïence* of Deck and Colignon.

720. Are those not copies?—They are partly imitated from Persian majolica, but there are characteristics which are new, superadded to other characteristics derived from ancient specimens.

721. That is a novelty, is it not?—Yes. We have already one or two specimens by Deck, but we might purchase others.

722. With reference to French plate, you state that you know of no object in the Exhibition worth purchasing?—I know of no special object that I would recommend; they might be very good things.

723. But not suitable for the object which we have in view, namely, to be placed in the South Kensington Museum as models for working men who work in that trade?—I am not prepared to recommend any particular piece of French plate for that purpose; but at the same time there are many pieces of French plate which are very good.

724. You have stated that you thought it would be better in many instances to have plaster casts of ancient productions than to purchase modern imitations?—Decidedly I do; I think there would be no object in purchasing modern imitations of cinque cento, or of gothic; I think the gothic would be found to be debased, and the cinque cento also; it would be much better to buy fine casts or photographs than modern reproductions.

725. Do you think there would be an advantage in having photographs of very expensive articles. For instance, you have stated that you think it would be advisable to buy jewellery; do you think that photographs of those articles would answer any good purpose?—I have no doubt that photographs will be made of all the principal objects in the Exhibition ultimately; and I think it would be desirable to have a good series of photographs; but in the case of jewellery I do not think it would be of much use, as the colours and the lustre of the jewels would be lost.

726. You would get the form and the outline, would you not?—Only imperfectly; jewellery does not lend itself to photography.

727. Mr. *Ayrton.*] Have you any means you can suggest by which the Paris Exhibition might be made useful, except by the purchase of objects for the improvement of manufacture and industry?—The only thing that suggests itself to me is, that the masters and assistant masters of the schools of art throughout the country should be sent to the Exhibition.

728. *Chairman.*] Some 30 have gone, I think?—I was not aware of that, but if they have not gone it is very desirable that they should go.

729. Mr. *Ayrton.*] At the public expense?—Yes, I think so.

730. *Chairman.*] Did you examine the plate of Christofle and Fanière?—Not particularly; I am rather prepossessed against French plate.

731. Has not Fanière made a service of plate for a Russian noble, which exceeds in beauty anything in the English department?—Perhaps if you compare modern French and English plate

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the French may be superior; but I do not think that either English or French plate at the present time is equal to that which was produced 100 years ago.

732. Mr. *Ayrton.*] Is the French plate superior in design?—The French plate shows greater manipulative skill and talent in design; most of our best workmen here are Frenchmen, or have studied under Frenchmen. Vechte, who is at Messrs. Hunt and Roskell's, has formed quite a school of workmen, and they have followed his style.

733. *Chairman.*] You have been asked some questions with reference to M. Castellani's collection of jewellery; you have stated that you could buy some of the specimens for a shilling; is it not the case that the jewellery comprised in this collection is that jewellery which frequently forms the dower of the peasant girls in Italy, and which is consequently of considerable value?—It is to a certain extent.

734. Did you ever see so complete a collection of democratic jewellery, as Mr. Owen Jones has termed it, brought together?—I do not understand what the term "democratic jewellery" means.

735. Jewellery for the people; popular jewellery?—No, I do not think I did.

736. Do you not think that it would be desirable to have such a collection as that at South Kensington?—No, I think it would be very well to have a few typal species; representations of the principal varieties. Some specimens are good in point of design, but some are hideous.

737. Do you think that such a collection, showing the connexion of the jewellery of modern Italy with ancient work, could ever be made again?—I think it might, but not without some trouble; but if you get a collection of that kind for Italy, you ought to do it for all other countries.

738. Would it not be important to get a similar collection of Spanish jewellery, for example?—Up to a certain point, no doubt.

739. And of all other countries?—I think a certain number of specimens should be acquired, but not to a very great extent, because, otherwise, you would have an enormous mass of matter, which would be of very little use.

740. Is not the whole of the Castellani collection contained in a very small space?—Jewellery goes into a very small compass, certainly; but if you had many collections they would, of course, occupy considerable space.

741. Is it not the most attractive thing in the Exhibition, and is there not always a large crowd round it?—I am not aware of that.

742. It would find a place in the South Kensington Museum?—It might be placed there.

743. Sir *Philip Egerton.*] It would be more appropriately placed in an ethnographical collection perhaps?—Yes, quite so.

744. Mr. *Seymour.*] Do I understand you to say that you are in favour of buying the Castellani collection?—Not in block, certainly.

745. *Chairman.*] Do you think that M. Castellani would consent to break up a collection of that kind?—Possibly not.

746. There is a difference between imitation and adaptation, is there not?—Yes.

747. You would make a difference between purchasing things where ancient art was adapted for modern purposes, and where ancient art was merely copied?—Certainly, I would. There are infinite degrees between direct copying and adaptation.

748. In making purchases, would you not take into consideration the element of cheapness, as showing how far other nations could manufacture objects more cheaply than we could?—In manufactures, yes; but not in matters of art.

749. You merely want to make a museum of interesting and valuable objects, do you not?—On the contrary, I want the museum to be a teaching institution; but I think we should only have good specimens, or those which have historical interest. I do not think that it should be a mere trades' collection, as there would be no limit to that.

750. Mr. *Ayrton.*] Do you mean that it should be an institution to teach merely the principles of design and art, or to enable the manufacturer to copy or to adapt?—My impression is that at South Kensington there ought to be two things; there ought to be a permanent museum, which should contain very fine historical specimens of art; then, there should be a circulating collection for use in the country. I think the two things should be kept distinct.

751. I think that is the list of things which you recommended for purchase (*handing a list to the Witness*)?—It is.

752. Mr. *Seymour.*] You have some specimens of manufacture at South Kensington; you have some that have been brought from Spain?—I think they have been bought from the point of view of art, rather than of manufacture. It is difficult to draw an exact line between these characteristics.

753. You have some cheap things, have you not; some common things?—Those I would not have bought if I had had my way.

754. To what would you restrict it?—In modern art to those very important things which have been produced for a special occasion like this. If you begin to buy modern art in the ordinary way, you can never stop.

755. But still there might be another separate museum for articles of that class?—Yes; but I should not have it in London.

756. Devoted to that object?—If you mean that there should be trades' museums, then let them be in each town; for instance, in Birmingham let Birmingham manufacturers select their representative specimens.

757. But in London why should you not have an epitome of the various processes in trade by which the various works of art have been got out so cheaply, so that they would be available for the manufacturing population?—That would be one scheme; I should not like to see such a thing in operation myself.

758. With regard to jewellery, is it not the fact that a vast number of nations come to France for their jewellery?—Yes.

759. And the trade in that branch is very large?—It is.

760. Showing that the taste of France suits them better than that of England; and, consequently, they go to France?—Yes.

761. Is not that superior taste of the French, according to the judgment of many nations, worth an enormous sum of money to them?—Undoubtedly it is.

762. Does not it increase their trade?—It does.

763. Is there not this difference between the French and the English, that the Latin nations, as we may call them, taking the French as their model, are constantly changing their jewellery; having

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having it broken up and put into different forms?—I think, if you take the Latin nations, you will find that they are more prone to personal decoration than the northern nations.

764. But still there is this great difference between English and French jewellery that the English jewellery remains much longer without alteration; a French lady changes her jewellery more frequently than an English lady?—I dare say that would be the case.

765. Now with regard to the cabinet of M. Fourdinois, you stated that you would recommend the purchase of that cabinet for the sake of the workmanship?—Partly in that respect.

766. And for the design?—The design is, relatively to other modern specimens, very good.

767. You wish any workman who comes in, however ordinary his labour may be, should see the best specimens?—Quite so.

768. And that in that way the very best taste should permeate the working classes?—I think you should only show objects in good taste to the working classes, and keep all that is bad carefully away from them.

769. And that you should show them works in which thought and labour have been applied to the greatest extent?—Yes.

770. Mr. *Marsh.*] You said that you had a prejudice in favour of ancient as against modern designs; do you mean to include mediæval designs?—I mean Greek and Roman, as well as mediæval, for this reason, that design in those ages was spontaneous; now, design is, if I may say so, a sort of eclectic copying of ancient things.

771. Are you aware that the English jewellers send things very often to be made up in Paris, at present?—I was not aware of that, but perhaps they do.

772. Mr. *Gregory.*] How would you proceed in your selection of those articles; who should be the persons who should select them?—I think, by the terms of my appointment, I should have been the person; but I am rather glad that I was not. The Lord President issued a circular to the jurors to make recommendations, and I dare say their recommendations will be, on the whole, good ones. I think there will be no great difference as to the great works which should be bought for permanent exhibition at South Kensington. In case you buy manufacturing products for local purposes, I have a strong opinion then that the people themselves ought to select them. The master of the local school of design, aided by a committee from the locality, would make a better selection than you could make in London.

773. But I presume, with regard to any selections which are made for the Kensington Museum, you consider that those ought to be approved of by persons who are thoroughly acquainted with what is already in the museum?—Certainly.

774 Sir *Philip Egerton.*] Did you see any evidence in the Paris Exhibition of the recovery of lost arts, such as the *pâte tendre*?—At the present moment the English beat the French in the *pâte tendre.*

775. But still you know that the modern *pâte tendre* is not so good as that of 100 years ago?—The modern English *pâte tendre* porcelain is decidedly better than the French in brilliancy and beauty of colour, especially in the rose colour and turquoise. I would wish to hand in a paper which contains a *resumé* of my evidence. (*The same was handed in*, vide *Appendix.*)

JAMES FERGUSSON, Esq., called in; and Examined.

J. Fergusson, Esq.

776. *Chairman.*] I BELIEVE you have been to Paris to see the Exhibition?—I was over there as a juror and also as an exhibitor. I took over a collection of Indian photographs and Indian antiquities, which I arranged there, and which occupied my time principally when I was there.

777. Did you examine the Exhibition with reference to purchases being made for the nation?—I did not; it was only after I left there that I received a letter directing me to turn my attention to that subject. I have not been in Paris since the 12th of May.

778. Are you sufficiently acquainted with the contents of the Exhibition to say that there are objects there which might be purchased with advantage to the country?—I think there may be objects of interest which it would be desirable to purchase, but without knowing the price and without knowing what departments they are to go to, it would be almost impossible to give an opinion as to what there is or what there is not that might be worth purchasing. If my attention had been turned to that, I probably could have given an opinion which I am afraid is now nearly valueless, in consequence of my attention not being turned to it while there.

779. As a general principle, do you think it would be advisable in such exhibitions as these to secure models illustrating architecture, which would not be procured at any other time?—I think that an exhibition of that sort affords a means of comparison which is not to be had elsewhere; and also a great collection is brought together which affords a means of selection which you can get nowhere else, and, as a general principle, I think it should be availed of; but what things should be purchased, and how far you should go, would require great pains to define.

780. Mr. *Beresford Hope.*] In the branch of arts cognate to architecture, have you seen any portable specimens which you think it desirable to purchase, such as metal work, rails, or screens, or gates?—No, I have not; I did not turn my attention to that; my attention was principally directed, being a juror of architecture, to drawings and designs, and not to metal work.

781. And not to stone work or wood work?—I saw nothing of that class which I think of any importance; I mean things which you could not get quite as well from the manufacturer.

782. There were no architectural models of buildings exhibited by other countries which would be worth buying?—None that I know of.

783. Mr. *Locke.*] Were there not some models of buildings from Tunis?—No: I saw nothing very remarkable in that way; my attention was principally directed to Indian art; that was the specialty which I went over for; there are in the Indian collection a great number of fine things which I think it will be desirable to purchase, but at the same time my impression is that if you choose to grant money for purchasing things in India, you could get a larger and better selection of art.

784. Mr.

784. Mr. *Seymour.*] Was there not a collection of Cairene art and early Mahomedan art?—It was not exposed when I left; I am quite sure that in India you could get better specimens and at a less price than I was told these were to be got for; I know that from India there is an enormous collection to be had.

785. As good as those from Cairo?—Yes, as good, and cheaper.

786. Do you think there would be no difference between Mahomedan art in India and Mahomedan art in Egypt?—No doubt there is a great difference, but there is greater elegance in India.

787. Would it not be desirable to procure those?—I have not seen the works of Cairene art.

788. You have been to Cairo?—Yes, I have been to Cairo.

789. And you know the Mahomedan works there?—Yes; they are very beautiful, but the Indian are quite equal to them, and there is an unlimited supply of Indian things to be had at a very small expense, for any department of the State that would grant the money for the purpose.

790. Such things as pulpits?—Yes, marble and other pulpits.

791. And of an early date?—From the time of the Mahomedan conquest, which was about the year 1200.

792. Mr. *Marsh.*] Is not Mahomedan art in India mixed up with Hindoo art?—Yes, it is mixed up with Hindoo art, but the Hindoo art is particularly fine.

HENRY COLE, Esq., C.B., called in; and Examined.

793. *Chairman.*] I BELIEVE you have the charge of the English Department in the Paris Exhibition?—I have.

794. Under what circumstances, and what office do you hold?—In connection with the Paris Exhibition I have held two offices; one as Secretary to her Majesty's Commission, and the other as Executive Commissioner to carry out the directions of the Lord President of the Council.

795. You have had the chief management and control of our exhibition there?—Subject to the Lord President, I have.

796. You have of course had an opportunity of examining the whole Exhibition thoroughly?—I am sorry to say that I have not had an opportunity of examining it thoroughly. My duties have been rather too onerous to enable me to do that, still my duties in connection with the Exhibition have enabled me to see a great deal of it.

797. Have you turned your attention to the importance of purchasing things for exhibition in this country?—Yes, earnestly.

798. Do you consider it of national importance from several points of view that purchases should be made?—I think it is of the highest national importance. I think it is almost indispensable to our national progress. If the Committee could see the course taken by other European nations, in reference to the Paris Exhibition, they would be awakened to a perception of the necessity of England doing something parallel. I think it could be shown, that since we have endeavoured to help our people to improve art manufactures (to use a comprehensive word) the change has been very great. It could be proved that our exports have increased much more in reference to those articles involving science, design, and skill in execution than in raw materials. If we intend to maintain and extend our trade, especially with our colonies, it is a question for us to resolve whether to let France and other countries beat us out of the field, or whether we intend to give the best chances for our own people.

799. I understand that the South Kensington Museum was founded partly from specimens bought from the Exhibition of 1851, and partly with the object of doing what you have just stated, namely, promoting the arts and manufacture of this country?—In one sense the South Kensington Museum may be said to have arisen from the Exhibition of 1851. Parliament then gave 5,000*l.* for the purchase of objects out of

that Exhibition; and I should say that no object was bought there which was not of an art manufacture's character. Certainly the idea, as defined by the Minute of the Board of Trade, was that objects should be bought having direct relation with manufacture. During the progress of the Museum we have departed a little from that idea sometimes, though we have always kept it as steadfastly in mind as was possible.

800. In your view, the object of the South Kensington Museum, as distinguished from other museums, is, that it is intended to promote the manufactures in this country to which art is applied, that is to say, its object is to promote the manufacturing interest of the country rather than to collect objects of curiosity and interest?—I do not know what the objects of other museums are, so far as they may have any connection with the South Kensington Museum. The British Museum is a collection of what was called, 100 years ago, "rare and curious." The specific object of the South Kensington Museum is to improve the industrial manufactures of this country, and upon that idea various other museums are being formed throughout Europe.

801. That is to say, that the success of the South Kensington Museum has induced other nations to follow the example that we have set them?—I will not blow the trumpet of South Kensington more than is necessary; but this I may say, that at Moscow they have established a museum having special reference to art industry; so at St. Petersburgh; they have done so at Vienna, and they are doing it extensively at Berlin; if you go to the Exhibition you will constantly find labels with the words "*Vendu au musée de Berlin*," and so on. In Paris they are endeavouring to the utmost to stir the Emperor up on behalf of Paris. Still one must not be too modest and hesitate to say that the success of the South Kensington Museum has induced other countries to imitate it.

802. I understand that in Paris they are going to establish a museum upon the model of the South Kensington Museum?—I understand so.

803. I believe you called for reports from various persons upon objects in the Paris Exhibition which it would be desirable to purchase for this country?—When the Lord President was in Paris, a meeting of the jurors was held, and he thought that it would be useful if each one in his own sphere would make a report of the objects he thought it would be desirable for the

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nation to acquire from the point of view I have mentioned.

804. Have you had any such reports made to you?—Yes; a good many.

805. Would there be any objection to handing them in?—I apprehend not; in many cases the prices are not mentioned; in some cases prices are mentioned which dealers have proposed, and some things, perhaps, may be already sold; I see no objection to putting in lists which give a sort of précis of what has been more or less recommended by different people. (*The same were handed in*, vide *Appendix*.)

806. Have you made any estimate of the cost of purchasing these objects?—I have, but it is imperfect. I hope the Committee will not be alarmed when I say that any amount that England, with its flourishing revenue, could afford to spend would be well spent.

807. Have you formed any idea of the sum which might be fairly spent in the purchase of objects at the Paris Exhibition?—I have not the least hesitation in saying 100,000 *l.* If you are going to do anything like what other countries are doing; and if good influence be admitted to result from these things, I do not hesitate to say 100,000 *l.* emphatically. There is at this particular time a special reason for your doing what France has done throughout France, namely, establish museums in various populous places.

808. When you are speaking of 100,000 *l.*, do you mean for objects of science and art not only to the South Kensington Museum, but for distribution to all the museums throughout the country, and to Ireland and Scotland?—Yes, and to those that are craving as hungrily as possible for us to lend things of all kinds. We have a collection of things which are not lent: but many that are. In respect of science we lend a collection in illustration of the analyses of food founded upon Liebig's investigations. There is not a more popular thing in the whole country than that food collection. We have just one little collection which we send about. I mention that, as one instance. I should like to finish my answer by saying that Parliament has very nearly decided to give the suffrage to some hundreds of thousands of people, whom some might call rather the residuum of the English people. With regard to the great part of those people, their chief recreation is the public-house. It seems to me that if anything beyond the economical question of science and art enters into consideration, it is the positive duty of Parliament to try and get these people who are going to be voters, out of the public-house, and I know no better mode of doing it than to open museums freely to them. I should, therefore, say that any amount of money which the country could afford would be judiciously expended in one way or another with this view. I am not speaking merely of purchases for the South Kensington Museum in making this observation; but, generally, whatever would tend to bring people out of the public-houses into the museums would be a great and profitable gain to this country. I am happy to say that the present Government have determined to do something in Bethnal Green. I cannot conceive anything better than to do something for Bethnal Green; and if what the Government are going to do in Bethnal Green were to cost 100,000 *l.*, I should say that that was a profitable investment of the national capital.

809. Do you apprehend that many of the things which you propose to purchase at Paris would go to Bethnal Green?—The idea of Bethnal Green is that it shall receive the superfluities and out-pourings of various institutions. If you put more things into South Kensington Museum, the South Kensington Museum will weed its collections, and send things to Bethnal Green. There is a curious collection of objects at Paris, which might possibly cost 5,000 *l.*; I dare say the Committee might laugh at it, but if you saw the attention it attracted they would view it differently. It is a collection of dresses from every nation, including Russian, Sweden, Japan and China: even France itself has made a collection of national costumes. If I wanted to attract 10,000 people a day to come to Bethnal Green, I know of nothing that would induce them to go there more than an ethnographical collection connected with costume. It would give useful hints to manufacturers.

810. Can you trace any effect which has been beneficial to the country from the purchase of objects at previous exhibitions?—I am quite certain, if you were to call manufacturers before you, they would say that they were executing things at this time in England which they did not dream of in 1851. I should say that that was the case with regard to pottery particularly; I should say that that was the case with regard to glass; I should certainly say it was the case with regard to furniture; there are many good things done by English manufacturers, whilst some works, certainly, are done by foreign artists, but our manufacturers have looked at the South Kensington Museum, and they are doing things which they had not dreamt of 10 years ago. Look again at jewellery; Mr. Phillips will tell you that he makes objects more or less suggested by objects in the South Kensington Museum, and Mr. Brogden, the jeweller, showed me two or three designs, after Holbein, which he had made by copying objects exhibited in the National Portrait Gallery last year. If you try to examine the influences of those things, you find evidences of the effects everywhere.

811. I think you mentioned to me in conversation the case of Demerara, the advantages to the revenues of Demerara from the exhibition of some of its products in the last British Exhibition?—There was an inquiry in 1860 upon the South Kensington Museum, and I was examined to show what benefit we had got out of exhibiting woods. After the exhibition of 1855, various of our colonies presented the South Kensington Museum with specimens of woods. Captain Fowke examined the properties of these woods, and tested them in various ways as to strain, specific gravity, and so on. I put in evidence in 1860, on the effect of exhibiting these woods together with investigations of their properties. I refer to question 332, page 21 of the evidence. One striking fact is enough: the export of lancewood spars in one year after Captain Fowke's report, rose from 4,800 feet to 38,000 feet. General Darling and Mr. Fortescue, and other colonial governors and secretaries at that time, wrote to us to tell us the effects of that report. Since that time I understand that a positive trade has been established in many woods which were unknown then in England; the same thing I believe has happened with other colonies besides

besides Demerara. In the Paris Exhibition there is a collection now of woods which have been tested, and of which all the properties are given, which certainly excite a great deal of interest.

812. Mr. *Beresford Hope.*] Have you got a collection of Indian woods?—Yes; but there are a great many woods still in the Paris Exhibition that it would be of national importance to obtain and examine.

813. *Chairman.*] You are of opinion that those objects which have been purchased, besides any interest which they possess as objects of art, have really a direct and important and useful influence upon the trade and manufactures of the country?—I think emphatically so. If I appear here as an advocate at all, it would be as an advocate for science rather than for art. I should like to mention a fact which, I think, the Committee will judge for themselves. In the Park at Paris there is a shed which is an illustration of the works of Mr. Schneider, the president of the Corps Legislatif. It is an illustration of what is done at the Creuzot works carried on near St. Etienne. You will find Messrs. Schneider & Co. doing there, upon a most extensive scale, the same work which Penn, of Greenwich, does;—exhibiting steam-engines for the vessels of the French navy; and you will find him exhibiting machine tools, such as Whitworth makes; you will find him exhibiting the machinery for mines, such as the Cornish people use, and you will find him exhibiting locomotives ticketed thus significantly, "Made for the Eastern Counties Railway." I believe Mr. Schneider is at this time making 45 locomotives for the Eastern Counties Railway Company, and, although I do not believe in their being so good in manufacture as those which Robert Stephenson & Co. make, yet it is a fact that he can deliver them on the Eastern Counties Railway 10 per cent. cheaper than we can do ourselves. And, in addition to this, you find an exhibition of what he is doing for his schools. I do not hesitate to say that there is not a single such school in this country, although many are most excellent. He shows the produce of 4,000 children, beginning with the teaching of writing, drawing, and mechanics to the boys, and terminating in beautiful needlework done by the girls.

814. Mr. *Seymour.*] Is that carried on at his own expense?—Yes, it is a matter of private enterprise.

815. *Chairman.*] But how does that affect the object of our inquiry; are there any things in that shed which we could purchase?—I look upon anything which you would recommend to be purchased as being bought to promote the industrial instruction of our country; it seems important to open the eyes of our people to the fact that they have such competitors as this, and it is only by following the same plan of instructing the people that you make them equal to their competitors. My own conviction is, that throughout the Paris Exhibition you will find numerous objects which it is desirable to obtain for the Department of Science and Art.

816. I presume you would recommend that materials for instruction in science and art, whether paintings, models, drawings, or lithographs, should be purchased?—I should say anything that would instruct the people in this country through museums and schools should be purchased.

817. Who, in your opinion, should make the selection of objects in the event of the Committee recommending that purchases should be made?—You have already had competent judges before you, and have examined witnesses of competency; no doubt with a little more inquiry you could get more suggestions, and then you only want a common-sense tribunal, if you did not entrust the Government with it, to decide how the moneys should be apportioned.

818. You would propose a commission, then?—I think a commission is a good thing. The Commission in 1851 did that which founded the South Kensington Museum; that, it is true, is chiefly of an artistic character; but as regards the purchasing, I think it only wants common-sense judges, who sympathise with the object in view, to do it properly. I would not have technical men. I would have a commission of gentlemen who understood the subject generally.

819. And who should receive evidence as to the objects to be purchased?—Who should receive evidence.

820. As regards any particular collections at Paris, are there any which you, on your own authority, would recommend for purchase, such as the Castellani jewellery, for instance?—I am afraid my colleague, Mr. Robinson, has not examined that collection with the attention which it really merits. I find it recommended by three or four other competent authorities who have examined it carefully. I believe there are many hundreds of good specimens in it. I cannot conceive any collection whatever more useful to the trade of Birmingham; and I would go down on my knees and beg Birmingham to buy it, if the Government would not do so. As to getting another similar collection, but you might buy another; perhaps it would take you 10 years to do it; that is a collection which will cost 1,100*l.*, and if the Committee do not buy it I would recommend Birmingham to buy it. I strongly advise its purchase.

821. Who has recommended its purchase?—Mr. Digby Wyatt, Mr. Webb, Mr. Owen Jones, and others. I think you yourself called my attention to it.

822. It is a collection made by Signior Castellani, not his own work, I believe?—M. Castellani is a producer of reproductions of ancient Etruscan art, but this is a collection of jewellery, worn by the peasants of Italy, extending over all the provinces of Italy. Perhaps I may agree with Mr. Robinson, that there are some things which, as fine art, you would not like, but as a rule the collection is beautiful, and most instructive to manufacturers.

823. Are there any other collections or objects which you would recommend?—I should be glad to get the Meymar collection. I am told it is rarely that you can buy the old art of Cairo. The gentleman who has made this collection is one who watched the demolition of mosques and other things, and has managed to get these things; there is a most remarkable pulpit of about the year 1400. We have nothing of the kind here; it is an illustration of the art of the people, with its Arabic inscriptions, and is full of interest, and if it is possible to buy the collection by selection, I would recommend that. I have no doubt Mr. Robinson would know how to deal with Mr. Meymar, if he will consent to be dealt with.

824. You consider this is an opportunity for acquiring Eastern objects which will not occur again for many years?—Yes, I think there are a number of countries that have been represented now more effectually

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effectually than they have been before; Tunis, Morocco, Turkey, and Egypt, for examples. Our Indian collection contains a great many beautiful things, especially a pierced silver box, which, I think, Mr. Robinson recommended.

825. Mr. *Ayrton.*] Is that from Delhi?—I think it is from the northern provinces somewhere. I should say that I think an expenditure might very well be made for the benefit of the productions of what has been called democratic art.

826. *Chairman.*] That term has been objected to, let us call it popular?—Popular art? I hope all art is going to be popular, but I mean art of the cheapest kind that circulates among the people. I am sure that for an expenditure of about 50 *l.* each country, you could make a collection of very instructive art. Now, take the art that comes from Sicily, the rudest kind of hand-potters' work, for example; it is full of beauty and full of suggestion; we do not get anything of the same kind in the Potteries, and certainly do not do anything nearly so cheap.

827. Did you see a quantity of common blue and white ware, I think from Tunis?—From Tunis. It was remarkable, and a few pounds would make a collection that would be very wholesome for the manufacturers in the Potteries to study.

828. Do you think it might have the effect of improving our common pottery—Yes. There is a great deal of common pottery, particularly in all the collections that I have mentioned, which is very good; it has been generally bought up, but still you can get others.

829. Mr. *Beresford Hope.*] Do you think we have lost time which it would be difficult to recover by delaying this question until now?—I think there is a disadvantage, but I do not think it is irreparable.

830. Do you think that coming at this late time is a serious consideration?—Luckily, the most costly things are not bought, and as England is the richest country, it can compete with other countries.

831. Is the Fourdinois Cabinet bought?—No, I have no reason to think so; he has two cabinets, and the highest-priced one is 3,000 guineas. It is of very new design; one wood is cut through, and another wood is inserted, and then the coloured wood is sculptured on the surface; that is the cabinet which Mr. Webb has recommended.

832. You have given evidence that, in your opinion, the scientific side of the question should not be forgotten?—Yes; if I had to elect between the two, the science side should be preferred.

833. Do not our own Colonies give us things without going to Paris?—When I refer to science as distinguished from art manufacture, I mean models of different kinds of public works, &c., from France especially. We are not accustomed to do anything of the kind; there is a great deal of modelling done in France.

834. I wish to keep you to the point; we are not examining into what purchases are generally desirable, but whether there is a market at Paris for such things; is there a collection there?—Most decidedly; models of buildings and machinery, and models of public works.

835. In the market?—They have to be inquired after, but they are exhibited at Paris.

836. But do you suppose that people would willingly exhibit things in Paris to be purchased by a foreign nation, and probably copied?—People exhibit things from various motives. Mr. Whitworth exhibits a steam-engine which is cut in half, and you may look through a glass and see the whole operations of it.

837. How are they with regard to the facility of purchasing?—You could buy a great many things that would be very useful.

838. And which would be sold?—Certainly, some would be sold. Mr. Schneider exhibits a beautiful model of a bridge, which is built without a centreing; I dare say, perhaps, we do something of the same kind, but it is not very usual.

839. After you have made your scientific purchases, would you leave a considerable margin for applied art?—Certainly.

840. What countries in particular are well represented in the Exhibition in that respect?—I should say France, England in some classes, Italy a little, Germany somewhat, Denmark not to be overlooked, and the eastern countries.

841. In what branch is Denmark not to be overlooked?—It has some suggestive silver work, which is good rather from the suggestive and the shape point of view, than from what you would call high art. It has a remarkable silver cup, with St. George upon it, worth some 400 *l.* or 500 *l.*, which is modern. It has also some interesting furniture, of a manufacturing rather than high-art interest, cheap rather than dear. I will continue the answer I was giving just now. France, Italy, and Denmark, I have mentioned. Austria has some things; Germany not a great many, from an art point of view; it has some interesting castings in iron, which excite a good deal of attention. Our own country has, I think, about 10,000 *l.* worth of things which we ought to secure. There is a shield exhibited by Elkington, executed in *Repoussé* iron and silver, by Morel-Ladeine; he is a French-Englishman; he has been many years in this country; it is a work of great merit, and he has a high position in the awards for that work. There are several works which Mr. Robinson has recommended, in which recommendation I concur thoroughly. The cabinet of Wright & Mansfield, and other things.

842. Considering that we shall only have a limited sum to dispose of, when you have made your purchases in science and applied art, would you reserve any margin for pictures?—I think pictures have to be treated differently, some from an art-calculation, some from a school point of view. I think if 1,000 *l.* were expended, a number of pictures would be got which would be useful for schools, and also for circulation, if the Committee thought it important to make such exhibitions as were last year held at Alton Towers. You might do a great deal more, but still I should recommend that some pictures should be selected. I do not agree with those people who would starve the world as regards modern art, until you can feed it upon Raphaels. Our own National Gallery abounds in pictures which are not Raphael's, or of the scale of Raphael, and I think the country is glad to get them.

843. But could you ever get the people to understand that the things that were bought out of France, were not the best things that could be produced?—I think common sense would teach that.

844. But how can the public tell what is the value of a picture?—We always publish the price of everything we buy at South Kensington. The

The Emperor of the French devotes a certain um every year, which is applied to the pur-hasing of pictures for presentation to the local xhibitions; they are always labellled, *donné par l'Empereur*, and you will see them everywhere.

845. Considering that we could only spend a ertain sum, say, 1,000 *l.* in pictures, it might nly lead to a misunderstanding to buy cheap rench pictures, might it not?—I think it would e an unmixed good.

846. Mr. *Gregory.*] Are you not aware that hese works of art "*donnés par l'Empereur*" are cknowledged by most people in France to do nore to degrade art, than to have any other ffect?—I am not aware of that, nor do I think hey do.

847. Have you ever seen a good picture "*donné ar l'Empereur*" in the provincial museums?—A reat many; I think if you went to the neighbour-ood of Bethnal Green, you would find that they ould prefer to look at Frith's "Derby Day" hich is certainly not a Raphael. If they were o look at both, Frith's "Derby Day", and then at Raphael, you would see that the "Derby Day" ould beat the Raphael hollow in attraction. hat is also proved by the sale of prints of these ainters.

848. Mr. *Seymour.*] Would it not be better o give that which was good, than that which ight be likely to mislead them?—I do not call misleading; what is the object of art, but to lease people? I do not know any other standard f art than that.

849. Suppose you put specimens before them o begin with, which when they had received a etter education, they would regret having seen, ould it not be better to put before them speci-ens which they would not regret having seen; ould it not be better to begin by giving them e best that they can have?—You must begin aching a child with such books as primers and Little Red Riding Hood" before you can get to e higher series.

850. Is it not the fact, that those things in our eriodicals are very generally appreciated, though they are, many of them, very good?—ertainly. Years ago I gave some people the ible illustrated by Albert Durer, but the Bible Gustave Doré would beat it hollow in popu-rity. You cannot feed everybody with wheaten read; rather than let them starve, I would give em rye bread.

851. You are of opinion that the less educated rt of the community would only have their tention attracted by what is bad?—I do not put quite so strongly.

852. That is purely what you said?—I think u may carry the principle I speak of through erything. One man wears a frieze coat and other wears a coat made of the west of England oth. You must not deprive the man wearing e frieze coat of that coat because he cannot ord to pay for the other.

853. But if there was one picture done by a d artist, and one by a good artist, you think e uneducated person would derive greater easure from the worst picture; is that so?—at is too wide an application of the principle. r. Frith, with his picture of the "Derby Day," uld beat the Raphael altogether; sooner than t attention should not be given to pictures at , I would prefer to have the Frith. I should according to the intelligence of the spectators, d try and engage it.

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854. Can you trace industrial improvements in France to the system of giving great Government assistance to schools?—I have heard this: that if you go through the different remarkable "exhibits" in France, and ask the manufacturer the question, who is manager? where was he educated? you will find that the manager has been educated through some of those systems which they follow in France. The great source of instruction for almost all the managers throughout the successful French fabriques is the Ecole Centrale in Paris, and to that Ecole Centrale in Paris, which affords instruction in science applied to industry, you find that Americans and Germans, and people throughout Europe, come expressly to get educated. Then it is quite notorious that you may get in France an amount of picture and sculpture art of what I should call a tolerable character (putting aside the fancies of the French people for certain debasing subjects), for a quarter of the money that you can here.

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855. You think that the acknowledged superiority of the French in taste is not due entirely to intuitive superiority, but to the regular system which has been pursued for a long time of educating the people?—I do not believe much in the intuitiveness.

856. You think their superiority in design and taste is due generally to the education of the people?—There is no doubt of their greater power and facility. Take goldsmiths' work; for one man in England that can chase a human hand fairly you will find 50 in Paris who can, and that is wholly a matter of education.

857. Since 1851, you say that the French have immensely improved in mechanical productions, such as steam engines and so on?—Yes.

858. Which previously had been a specialty in England?—Yes.

859. And you think that our main object in buying this collection should be to endeavour to gain something from the superiority of the French in taste, as they have gained from us in mechanical knowledge?—The view I take of the Paris Exhibition is that it is an assemblage of a great number of very remarkable things. It affords you an opportunity, if you are so minded, of helping industrial progress in this country in every direction. I believe it will be profitable to do so. Let me tell honourable Members a fact in connection with the two Exhibitions in Paris. In the Exhibition of 1855, the goods were brought into the Paris Exhibition just as the old Egyptians would have brought them in, namely, by the multiplication of human hands; there was not a single crane in use; but at this Paris Exhibition they had as many cranes as were wanted; they had not steam cranes, as we had, but all the arrangements they had for bringing goods in were infinitely superior to what we had in 1862. I remember that the Emperor asked me in 1855, "What is the most remarkable thing that has struck you in the Exhibition?" and I said, "The absence of cranes." He said, "What is a crane?" Not seeing them there, he did not know what they were. Now they have cranes; at the next exhibition they will have steam cranes.

860. I understand you to say, speaking of jewellery, you are of opinion that it would be desirable to have this collection of jewellery such as is worn in many countries by women of the poorer classes?—There is no doubt of it.

861. Is not this the only country almost where

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the women of the poorer classes do not wear jewellery?—Birmingham can answer that question best. My impression is that there is a great and growing taste for cheap jewellery.

862. If you go to Russia, Holland, India, or South America, you see that all classes wear a great deal of jewellery?—I agree that many countries preserve their traditions much more than we do. What we had 300 years ago I do not know; but I know no woman, whether she be rich or poor, who is not fond of jewellery, if she can get it.

863. You say that you could buy several pictures for 1,000 *l.*; can you tell us what they would be?—The 1,000 *l.* only represents the kind of picture that Mr. Bowler, who is one of the inspectors of the schools of art, thought would be useful for the schools; but I go further than that, and I say buy good cheap pictures for circulation; and I should say it would be a good investment. If you make a collection of the pictures of all nations, you need not buy the most costly.

864. Would you recommend the inferior pictures of all nations?—The 50 *l.* or 100 *l.* pictures; the Prince of Wales bought a beautiful cabinet picture for 200 *l.*, by Baugniet, of Belgium.

865. Can you give the Committee any kind of idea what pictures would be best adapted for your purposes?—I suppose two or three kinds of subjects would answer; two or three landscapes and half-a-dozen perhaps of their figure paintings.

866. Of what average price?—I should say an average of about 60 *l.* a piece, and which, if brought to this country, I do not hesitate to say would be in the market directly at 100 *l.*

867. Could you tell me what the object of the South Kensington Museum should be; you think that it should not be entirely devoted to art, but devoted to trade and manufactures; would you have the two museums separate, or would you have both combined in one?—The South Kensington Museum, although it is supposed to be an *omnium gatherum* of all the things in the world, is divided into a few collections; the first object of the South Kensington Museum I consider to be a collection of art-manufacture; I think it is going a little beyond the province of the South Kensington Museum to take matters of purely fine unapplied art; that opinion, however, is modified by the fact that Mr. Sheepshanks gave his collection of modern pictures to Kensington, and they must either remain at Kensington or go to Cambridge. I suppose the public would rather have them at Kensington. Then another division is for general education; anything that tends to improve education, either primary or secondary, anything in the shape of models, or plans or geometrical instruments, or philosophical instruments; of all that we have a remarkable collection much used by schoolmasters and clergymen; out of the Exhibition of 1851, we had given to us a number of products relating to food, and we have made a collection which I find one of the most popular things in the museum, that is the collection of food; it attracts people in the largest numbers next after the pictures. I do not think the art collections are the most attractive, but the pictures are the most attractive, and the food is the next most attractive; we have a collection relating to structure, and we have a collection illustrating Terra Cotta of all nations of Europe. It has had some effect on modern buildings.

868. All of these have more or less to do wi art and science?—Yes.

869. How would you have the science repr sented?—I think a third part of any sum shou be for science, and two-thirds of it should be f what are called art manufactures.

870. Have you given any list of things in t Science and Art Department, the purchase which you would advise the Government to co sider?—I have.

871. I understand you to say that 100,000 would be the sum which it would be desirable spend?—I think it would be well expended, a if judiciously laid out, the collection could sold for more than the money it cost.

872. Mr. *Marsh.*] I presume you think th the object of purchasing articles in Paris wou be to improve the taste of the public?—To a vance industrial progress in all ways.

873. And chiefly in taste?—I should s chiefly in the way of science at the present tim I think we have more to do in the way of scien than art just now.

874. Do you not think it the best way to b things of the best taste, and not of an inferi kind?—I would not buy anything of an inferi kind, but I think a piece of Tunis potter although rude and cheap, is perfect in its wa I think a leg of mutton is a perfect thin whilst I think a haunch of venison is better.

875. Do you think that our mechanics shou be taught from those things which are so go instead of from those things which are the bes —They should have the best things in the vario levels, but there are a great many levels.

876. The best of each level?—The best of ea level.

877. Would you not prefer taking the b level, instead of the lowest?—Certainly I wou take the best that the funds would permit.

878. Mr. *Gregory.*] The gross amount of fu which you ask for at present is 100,000 *l.*; ha you made any calculation of the amount whi you think ought to be devoted to each bran that is, of science and of art?—I think an a proximate division would be about one-third one, and two-thirds for the other; the finest objects are so very much more costly than a thing else.

879. Have you found, generally speaking correspondence of views among the gentlem who have sent in their representations?—A g deal, certainly, among the art objects; there not many important art objects which have been recommended by two or more people.

880. Who are the persons who have sent in recommendations with regard to objects science?—Dr. Wyville Thomson, Profe Archer, Mr. Scott Tucker, a civil engineer, John Fowler, President of the Institutions of C Engineers; Mr. De La Rue, President of Astronomical Society, and Mr. Whitworth, others whose names I have put down.

881. Amongst other collections which I h heard recommended was the collection of o logy from Austria?—I think Dr. Wyville Th son has put that down.

882. Would you consider that within the s of the South Kensington Museum?—Scarcel would say that in considering these purchas have looked at them rather from a national of view than from a South Kensington poi view.

883. What do you say with regard to medi

medicinal plants?—I think that they should go to Kew. We have two museums; one in Dublin and one in Edinburgh, which are comprehensive in their scope. We have an Industrial Museum in Edinburgh, and what is approaching to be an Industrial Museum in Dublin, which throw their meshes much wider than the South Kensington Museum itself does. If you take Natural History in the Dublin Museum, it goes into the question of fish culture connected with industry, and so on. It has a wide range, and I would look to the interests of those institutions as well as of any in London. I have contemplated the following institutions that might be benefited by purchases, presuming that the authorities and directors of each will look after their own interests if they think that Parliament is going to give them any money. At Kew, Edinburgh, and Dublin, there are botanical collections. At Jermyn-street we have already asked Sir Roderick Murchison if there are any objects connected with mining that he would recommend. The British Museum would look after any objects that it is desirable for them to have, and I am told that these collections of fossils are either things of which the British Museum have an imperfect collection, or none at all. Then there is the South Kensington, with its animal products. There is a Navigation Museum which promises to be the finest in Europe, and is already very good. Then there is a collection of building materials; there is a collection of food; and there is machinery. I might, perhaps, call the attention of the Committee to a letter which Mr. Whitworth has sent to me, which I should like to put in evidence. It is dated 4th July, 1867. He says, "Feeling the national importance of maintaining the position which England has reached in the manufacture of machinery in general, I desire to do as much as may be in my power towards effecting this object. I should therefore feel obliged if you would inform the Lord President of the Council that I am willing to deposit in the South Kensington Museum, to be there perpetually preserved, three original true planes, and a measuring machine or instrument demonstrating the millionth part of an inch, and I propose, subject to some conditions, to make a sufficient endowment to provide for the delivery of lectures to explain such instruments. Their importance will be manifest when it is considered that the value of every machine, when made of the best materials, depends on the truth of its surfaces, and the accurate measurement of its parts." Mr. Whitworth is the emperor of precision in the world, and he is a gentleman who feels it of such importance as to make a donation of this kind. Manchester is feeling the importance of this industrial education to such an extent that they are raising a fund of 40,000 *l.*, or 50,000 *l.*, or 60,000 *l.*, to promote it in Owen's College. I know several gentlemen who have made it their duty to aid in that business. Then I come to manufactures, and such like, which I will illustrate by just one example: M. Gille, who is a manufacturer of hard porcelain in Paris, has made a statue 7 feet high in white bisque; that is quite a *tour de force* in the way of manufacture. The art of it you may, perhaps, object to; there may be better sculpture than that, but still it is a thing that the South Kensington Museum ought to have as a specimen of manufacture.

884. Sir *Philip Egerton.*] How would they bake it?—That is really the wonder. Then there are some specimens of modern French sculpture which we ought to have; there is a statue bought by the French Government, of the "Last Days of Napoleon the First," by an Italian sculptor. If we could get a cast or copy of that, I think it would be desirable; it is one of the finest things in the Exhibition. Then we come to education, reproductions of works of art; then there is ethnology. All these things seem to be of importance in various ways.

885. Mr. *Beresford Hope.*] Do you think the money will be forthcoming to purchase all those objects?—I trust it will; I think the revenue is in a flourishing state, and I think without postponing the building of a single frigate, England would not be ruined by voting 100,000 *l.*

886. Mr. *Seymour.*] With reference to engineering models; you have referred to that bridge of M. Schneider. Do you not think diagrams and pictures would be sufficient, as far as scientific men are concerned?—As regards scientific men they might be sufficient, but, as regards the general public, certainly not. You well know that the Museum of the *Conservatoire des Arts et metiers* is popular, amusing, and instructive; an abstract plan is useful to a man who is scientific, but it conveys little or no information at all to the general public.

887. You are of opinion that these models would be more educational?—I should call it educational.

888. Mr. *Gregory.*] You spoke of a commission of gentlemen, as being the authorities who should make the selection of articles to be purchased, did you not?—Yes.

889. How could those gentlemen be acquainted with what you already have at Kensington?—I think that that would of course be a kind of common sense question that they would ask. Many things are recommended by the South Kensington authorities. Mr. Robinson would not recommend anything that we have got at South Kensington; in the way of science if they touched upon construction, we should ask Colonel Scott, Professor Tyndall, Professor Huxley, and others upon scientific subjects.

890. Although you appoint a commission of gentlemen to make selections, you look then apparently, to a kind of ulterior court of appeal?—I look upon any commission, as gentlemen representing the feeling of Parliament, from a judicial point of view; having a given sum of money to spend, that they would call upon experts and technical men to say what are the articles required, and to judge whether they are talking good sense, or not.

891. For instance, I suppose you would take the highest scientific authority with reference to scientific objects?—Yes.

892. And then, with regard to the South Kensington Museum, would you call in the art referees?—First, I would collect from everybody's suggestions all the information I could, and then I would take the advice of those persons who are more or less responsible for giving it; I do not think there is any practical difficulty in it; I think if you look over the list and find that Messrs. Digby Wyatt, Owen Jones, Redgrave, and Robinson, all concur in recommending the purchase of one specific object, the Committee would not hesitate to say that it was desirable to procure it; I would invite suggestions from all those who were able to give them.

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893. It was said just now, that a great number of things were sold. Would you in any case where any very interesting object had been sold, order a reproduction of it?—Yes, where I had confidence that it could be well reproduced; I think the bronze vase to which Mr. Robinson alluded as being inlaid with gold and silver, could be copied very well, and I would suggest having it; that would want discretion: I think there are things that could be reproduced with advantage.

894. In case the cabinets of M. Fourdinois were sold, would you be disposed to order the reproduction of them by the same person?—I do not answer with the same confidence with respect to those particular things; it is like a painting; it is such a fine work of art that it is doubtful whether the carver could do anything so good again. He might do something better, and he might do something which you would prefer, but that is more doubtful than the other case.

895. In this case I suppose he has employed to the utmost his labour and taste?—Yes.

896. Would you buy both these cabinets?—I would.

897. With regard to the collection of the Castellani jewellery, you think that M. Castellani, considering these jewels represent different provinces in Italy, would allow that collection in any way to be broken up?—I am certain he would not.

898. Do you not think it would be very advisable to have a general collection of peasant jewellery made, as the Honourable Member for Stoke remarked, and arranged according to different provinces of each country?—It would be interesting.

899. From Spain, dividing it into different provinces?—It would be most useful.

900. And from Portugal?—It would be most useful.

901. With regard to the collection of Oriental china, is there any opportunity of acquiring valuable specimens in Paris at this present moment?—Not extensively.

902. I think most of the most remarkable specimens from Japan have been already secured?—There may be a few to be had, but I think the market has been weeded and exhausted nearly.

903. You heard the evidence, I think, of Mr. Robinson upon the collection of Oriental china at the South Kensington Museum?—I did.

904. It appears that you have not laid much stress upon the acquisition of a complete collection of Oriental art?—I think we have a very fair collection, though it is not nearly so extensive as it might be, and not nearly so grandiose as it ought to be.

905. Do you not think that that is a collection which ought to be considerably extended, and made as perfect as possible, as illustrating the whole history of Ceramic art?—Certainly. The Queen has given some fine specimens, and we have bought a few; but owing to limited means, and attractions in other directions, we have not paid that attention to it which it deserves.

906. You think great attention ought to be paid to it?—Yes; there are also some very fine Japanese bronzes, things very remarkable; I do not know whether they are for sale.

907. Have you read the evidence given by Mr. Stuart Poole here the other day on the Meymar collection?—Yes.

908. I think Mr. Poole states that a large portion of that consists of objects of a rather insignificant description?—I think he points out that there are a number of things which are not essential to the collection.

909. Do you not think it would be unadvisable to overload your establishment at Kensington with many things which are of a very ordinary nature?—I never look to the South Kensington Museum being overloaded; the demands from local museums are always so great, that no conceivable quantity of articles that you could purchase for the next 20 years could supply those demands; there is hardly a single exhibition, and we take considerable pains to send things to them, where we are not upbraided for being very shabby.

910. Do you propose that those things should overflow to Bethnal Green?—Yes, among other places.

911. And will not other towns call out for a similar establishment of museums at the public expense?—I hope they will.

912. With reference to modern pictures, you stated that you would make a collection of modern paintings of all nations. Is that for the improvement of the art schools, or for exhibition at South Kensington?—For the purpose of giving examples of the foreign mode of painting to local schools, and for the purpose of lending them to the various exhibitions which are constantly being held.

913. Do you contemplate acquiring any more modern pictures for the purpose of permanent exhibition at South Kensington?—That is a difficult crux; I do not know what the Government may do, but I do not think it is contemplated, excepting in water colours. The Honourable Chairman knows that Mrs. Ellison, and other benefactors, have given us collections of water colours; it sometimes happens that at a sale Mr. Redgrave sees a water-colour painting by an old painter, and sooner than lose such pictures, we perhaps spend 200 *l.* or 300 *l.* a year. Until the relations with the National Gallery and other picture galleries are settled, whether it is going to take up modern pictures, and whether it intends to smother itself with anything anybody will give it, or whether it will circulate pictures or let us do it, nobody can say what will be done.

914. You are not afraid of being smothered?—No; when we have exhibitions going on in all parts of the country, I cannot conceive the time when we shall have enough.

915. Mr. *Seymour.*] Is it not the rule that whatever is given to the South Kensington Museum is your absolute property, to do whatever you please with?—Yes; of course we make that known to anybody who gives us anything. We certainly sometimes have gifts given to us, the parties stating that they desire them to be confined to Kensington.

916. Mr. *Otway.*] You have stated some very large views with relation to the creation of museums generally; but you have handed in some lists of articles which you think it would be desirable to purchase; are those lists based upon an application to Parliament for 100,000 *l.*?—Not at all. If Parliament, in its wisdom, should grant 100,000 *l.*, the exhibition would have to be very much more carefully examined than it has been at present. Those lists have been handed in in utter uncertainty as to whether we shall get anything at all.

917. Have

917. Have you paid any attention to the selection of articles; for instance, if Parliament gave you a very much smaller sum than that, such as 10,000 *l.* or 15,000 *l.*, have you decided what objects you would purchase?—No, I have not.

918. Have you agreed to purchase any articles?—We have asked parties to reserve things in two or three cases; for instance, the Wright and Mansfield cabinet. Many things are in that list which have since been bought.

919. You have incurred no liabilities?—No. The Duke of Marlborough was at Paris the other day, and said that, as far as our own grant would go, we had better secure a few things at once.

920. With regard to the pictures, the Honourable Member for Stoke asked a question with reference to the effect produced by different pictures on the taste of the people; and I understand you to state that you consider that the gift of indifferent pictures to the museum would be productive of unmitigated good; is that your opinion?—Certainly; but it is a vague term to say indifferent pictures. I could go through the National Gallery where there are many pictures which in one sense are indifferent pictures; there they are, and people go there to see them; you cannot say it is evil and not good. I say it is an unmitigated good. As to the indifferent pictures, the connoisseur passes them by, and does not attend to them, and the ignorant person finds pleasure in them. Every gentleman who has a collection has pictures which may be classed as good, bad, and indifferent; the indifferent pictures must give pleasure to some people; they must give pleasure to him, or he would not keep them.

921. Do you think it is desirable that the standard of taste should be maintained in this country at its present level, at which you say that a picture like the "Derby Day" would beat any Raphael hollow?—I presume to say I do not know what is the standard of taste.

922. I understand you to say, that if the "Derby Day," by Mr. Frith, and a Raphael were exhibited in this country, the "Derby Day" would beat the Raphael hollow in its appreciation by the people of this country; do you think that that state of things is desirable?—No; but I think it is desirable that people should be taught to look at the pictures, and to take pleasure in them.

923. Either good or bad?—Either good or bad, unless they are indecent or bloodthirsty; but I think a picture which is harmless in its morality is a work of art; and I think if it attracts anybody to look at it, that is something gained to the cause of civilisation. I had much sooner that a man looked at an inferior picture than that he went to the public-house.

924. Why do we try to purchase good works of art, if it is desirable to have bad ones?—Just in the same sense that a glass of table beer is better than nothing, but you would prefer sherry, perhaps, if you could get it.

925. Do you think that it would be a justifiable act on the part of those who purchase pictures for the country, that they should create an inferior taste?—No, but everything is comparative; you might as well insist that every parish should have a marble church, because you would like to have one yourself; while, instead of that, you are obliged to be content, perhaps, with a wretched iron church. I think it is perfectly justifiable to try and civilise the people by any harmless means which you can induce them to adopt.

926. In this instance, it is not civilisation that we are striving to attain, but a taste with regard to pictures; with regard to that 1,000 *l.* which you propose to expend for the purpose of purchasing pictures of the French School, do you think any good pictures could be bought for 60 *l.*?—Yes, I could have brought one down here to-day. The other day when the Lord President was in Paris, a picture was going to be sold for 40 *l.*, and the artist said, "You must make up your mind to-morrow, whether you will have it or not." The Duke of Marlborough authorised the purchase for 40 *l.*

927. For what purpose was that bought?—To show a mode of painting to the schools.

928. You have stated that some parties were subscribing largely for some purpose in Manchester?—That was for the establishment of a college to teach practical science; for the enlargement of Owen's College.

929. Colonel *Hogg*.] Have you had your attention directed to the English glass at the Paris Exhibition?—I have.

930. Would you consider it desirable to obtain any portion of that, especially the engraved glass?—My opinion is, that the finest specimens of engraved glass in the Exhibition are executed by English firms.

931. And by English workmen?—No; I think they are mostly by German workmen.

932. Have you had your attention directed to the collection of arms in the Exhibition?—I have looked at the Indian arms; we are accustomed to make reproductions of articles in metal such as those.

933. With regard to the arms of warfare which are used at the present day, have you observed them?—My attention has been keenly directed to them.

934. It is a very perfect collection, is it not?—I should say that almost the finest thing exhibited is the collection of British arms.

935. Do you not think it would be desirable to keep that in the British nation?—I think it would be very desirable to allow the public to see how many millions are spent in producing these arms, of which we have no reason to be ashamed; I believe the moral effect of that collection has been very great; it has been said by some people that we are telling our secrets, but it is perfectly well known that these things are all understood by all those who take the trouble to inquire into them.

936. Did you also observe the accoutrements?—I did not speak of the accoutrements but about the arms; and with regard to them I hear an unanimous expression of good opinion.

937. Have you looked at the Hungarian jewels?—No; I have looked at the Russian jewels which were made at Moscow; if the South Kensington Museum like to take them I see no objection.

938. *Chairman.*] I believe that what has been done at South Kensington has led several foreign Governments to propose an arrangement for the exchange of casts of remarkable objects existing in their Museums?—Perhaps I may be permitted to tell the Committee, that when the Crown

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Princess of Prussia was at the Paris Exhibition, she was taking a very active part in organising the Berlin Museum, and the Prussian Parliament has already voted funds to establish it. She was so much struck with the means of establishing that museum, through the reproductions of works of art, that she took some pains to seek the goodwill of various princes; and I am in full expectation that most of the princes of all Europe will join in a sort of Bund to allow each other to make reproductions for their own countries and one another.

939. Mr. *Gregory.*] With reference to the questions which have been just asked by the Honourable Chairman with respect to reproduction of works of art, is the South Kensington Museum engaged at the present moment in any work of that kind, such as casts, for instance?—Nothing of any importance; there may perhaps be a cast or two ordered in Italy, which have not arrived; but there is nothing of any importance which has not yet arrived.

940. Mr. *Seymour.*] Do you propose those casts to be of sculpture and monumental art?—Yes, of decorative art.

941. That is very much the same idea as there was when the Crystal Palace was established?—No, hardly that. Our reproductions would include electrotypes, coloured drawings, coloured photographs, and all the processes best for reproducing fac-similes of the originals.

942. Was it on that scale?—No, not exactly. I may mention that this last year we had a most remarkable work from Spain. Mr. Robinson went to Santiago, and took the necessary steps for getting a cast of what is called the "Glorious Gate of Santiago." There were a great many difficulties; the convent and the ecclesiastical authorities had to be solicited, and they allowed us to take a cast, which has never been done before: they said mass for the man who made it, and gave him a testimonial that he had done no damage when he came away.

943. The Crystal Palace was done on the same plan, was it not?—They have made casts only, and these they have painted and joined them in such a way that they are very confusing. They have arranged them from a popular point of view, rather than to convey scientific instruction.

944. Would it not require an enormous amount of space to have casts of everything worthy of preservation from every country in the world?—I would not suggest that you should have casts of everything; but I think you might fairly have casts of the most remarkable things, and arrange them much more methodically than the Crystal Palace, which certainly will not make any more; electrotypes and drawings do not occupy great space.

945. I presume these casts would be of things which would not be easily visited, and the study of which would influence art in this country?—Reproductions of fine originals which could not be procured. I think they would influence art much if well selected. We have fac-similes of the Regalia in the Tower; the Queen allowed us to take electrotypes of them, and every local exhibition asks us to send them.

946. You have casts at the French Exhibition, at this moment, of Hindoo and Celtic art, have you not?—Yes.

947. Have those casts been taken with a view to art, or as being representations of curious archaic monuments?—We have only one of strictly Celtic art, except perhaps a reproduction of an Irish object, such as a brooch. With reference to Celtic art, Mr. Wallis, who is connected with the Museum, was in the Isle of Man, and had an opportunity of getting a cast of one of the crosses there; it was a little thing, but it was sent to show that our aspiration and views were Catholic, rather than for anything else. Then, as respects Hindoo art, there are only two or three casts, and the express object of sending them was partly to illustrate that Hindoo art came into our general idea, and partly to show that it could be cast by a very light process.

948. Mr. *Beresford Hope.*] Did not a museum of architectural casts exist in Cannon-row, Westminster, before the foundation of the South Kensington Museum?—Yes, I believe it did; it existed when Marlborough House was in existence.

949. And having been for some time on loan at the South Kensington Museum, it is now going to set up for itself?—It is now going to take up its own management.

950. That branch is not exclusively under the South Kensington Museum?—No.

951. Mr. *Gregory.*] Are there any other casts in particular, which you would recommend to be purchased?—In the list of things which Mr. Bowler sent, there is a pulpit from Portugal, some casts from Austria, some casts from Russia, and some other things from one or two other countries.

952. Mr. *Seymour.*] Would it be a good thing to delegate to the architectural museum or the institute of architects, the business of getting those architectural casts?—If the architectural institute would make itself a body responsible to Parliament, and the president would be ready to make himself accountable and receive payment, then, I think, it might be considered.

953. Mr. *Beresford-Hope.*] What do you mean by that?—That if you entrust public money to an irresponsible body, it is not a regular course of proceeding.

954. Could they decline to be responsible?—They could and would, if they were not paid.

955. Mr. *Seymour.*] You would not buy things that were already in the architectural museum, would you?—No.

956. Mr. *Otway.*] Have you any money for the purpose of purchasing objects now?—For the purchase of what we may call original objects we have had for many years 10,000 *l.* a year; for making reproductions, I think the vote is about 3,000 *l.* a year.

957. The whole sum being 13,000 *l.* a year?—I should think it was about 16,000 *l.* a year for everything, as there is now a vote of 500 *l.* for navigation; and a vote, I think, of 1,000 *l.* for scientific objects.

958. *Chairman.*] Can you give the Committee any idea of the expense that the Government will be put to at Paris in reference to the exhibition?—An estimate has been laid before Parliament for

for 116,600 *l.*; I have every reason to think that that will suffice, and not be exceeded.

959. You will not be able to save anything out of that, I presume?—I would not like to speak too confidently, but giving my own personal opinion, I would hope there might be a saving. I might, perhaps, add that, though it is a large sum of money, the work done has been very cheap as compared with the expenditure of other countries.

960. Mr. *Gregory.*] You have exhibited in the department of the South Kensington Museum at Paris a reproduction of an Italian pulpit?—Yes.

961. Was that Italian pulpit exhibited for the purpose of illustrating this new scheme which you have for encouraging the universal reproduction of works of art?—No; it was exhibited in order to show in a particular class of the arrangement of the exhibition laid down by the Imperial Commission, which referred to teaching and design, the efforts which this country was making, and the various modes which were adopted for teaching design. When that pulpit was copied at Pisa, two copies were taken, and the second one remaining unused, it was thought a good thing to show it as part of the instruction through fine models in this country.

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APPENDIX.

Appendix, No. 1.

PAPER handed in by Mr. *Robinson*, 9 July 1867.

To the Chairman of the Select Committee of the House of Commons, on Purchases from the Paris Universal Exhibition. Appendix, No. 1.

16, Pelham Crescent, Bromptom,
28 June 1867.

Sir,

As art referee of the Kensington Museum, I am desirous of submitting to the Committee some memoranda in reference to the proposed purchases from the Paris Universal Exhibition.

I should not recommend any of the objects I have indicated to be purchased, if it were necessary to pay for them out of the current grant for museum acquisitions.

Works of industrial art of former periods must be acquired as the opportunities from day to day present themselves, but modern specimens can be best obtained at great periodical gatherings, when the contemporaneous productions of the entire world are exhibited side by side for free comparison and selection.

Yet no portion of the annual grant for purchases for the Art Museum at South Kensington, should be expended at the Paris Exhibition. In consequence of the rapidly augmenting rates of value of all fine works of art of former periods, the annual grants, which stand at a definite fixed sum every year, secure a less and less numerous series of specimens. The museum, therefore, does not increase in the same ratio in which it formerly did.

If the grant, or any considerable portion of it, were this year applied to the purchase of specimens of modern origin, a heavy blow would be given to the museum. Several continental institutions of the same kind have been recently formed (at Berlin, Vienna, Florence, and St. Petersburg), and they are now becoming direct competitors with South Kensington for objects of art of former periods. Moreover, the annual grant is encumbered with outstanding liabilities, continued from year to year, which it is most desirable to clear off.

The prompt acquisition of really important works of art of former periods was never more necessary than at present. It is no exaggeration to state, that the avidity, perhaps it should be termed the extravagance, of wealthy amateurs is such, that very soon public museums will have little chance of procuring objects of the highest class. Responsible officials will, in fact, shrink from incurring the onus of recommending the nation to pay the exorbitant prices, which are freely given by private purchasers.

I cannot too positively urge, that in this matter, time is everything; indeed the time will come, and is perhaps not far off, when acquisitions of such works must come to an end, from the actual exhaustion of the supply.

In regard to works of modern origin, it is obvious the same urgency does not exist. There is, however, an urgency of another kind, and I am far from wishing to undervalue it.

It would be inexpedient, if not indeed impossible, to form a series of masterpieces of modern industrial art, in the ordinary course of current acquisition; such works are only produced at intervals for special occasions. The Paris Exhibition is one of these occasions, and a special grant should be made for the express purpose of meeting it.

Works of modern industrial art should only be purchased, in the ordinary course, in very special and exceptional cases; no proper principle could be laid down for the regulation of any current system of purchase in this section. As regards works of former periods the general verdict of the world has been expressed, and the conventional estimate of amateurs and connoisseurs also furnishes a standard of appreciation; but in the case of modern works, except at periodic gatherings like the present, no such help is available.

Appendix, No. 1.

I will go so far even as to say, that I think no one official, or limited body of officials, ought to be entrusted with the disbursal of public money in the systematic purchase of works of modern industrial art, on the ordinary current footing; by so doing, an indirect but not the less invidious system of State patronage might be created, and in any case, considering the vast range and variety, and the increasing activity of modern manufacturers, it would be impossible for the most highly qualified person to keep pace with them. Periodical exhibitions, then, are pre-eminently the occasions on which works of contemporary industrial art can be best acquired; and the precedents of the Exhibitions of 1851, 1855, and 1862, at all of which special grants were made, are directly in point.

Premising that the suggestions I have to make are from the point of view of art, or at least only incidentally relative to the "technique" of manufactures, with which I have no special concern, I beg to submit that acquisitions from the Paris Exhibition might be made, with the following distinct purposes:—

1st. *As permanent acquisitions to the Art Museum at South Kensington.*

2nd. For distribution (on the footing of permanent gifts) to provincial museums and schools of art.

3rd. For temporary exhibition and circulation to schools of art, and other institutions in the provinces.

1. In regard to the acquisitions to the permanent collection of the South Kensington Museum, these ought to be only the select chefs d'œuvre of the Exhibition; works of the highest importance, and correspondently great price, mainly such specimens as have been specially produced for the occasion, and which in consequence may be regarded as manifesting the highest expression or embodiment of the industrial art of the period.

For many reasons ordinary or trivial specimens of current manufacture ought not to be purchased. The art museum is not a museum of mere manufacture; its scheme or province, as regards industrial art, ought to be defined within reasonable and well-defined limits, for I apprehend there is no stand point betwixt such prudent limitation, and a wild attempt to represent and keep pace with the progress of industrial art in all its ramifications.

The specimens to be acquired should be mainly of European origin; and such is the comparative backwardness of most European countries, that it would be found scarcely possible to make selections on this high level, other than from France and England.

As regards oriental countries, where industrial art is, generally speaking, still distinguished by an innate excellence, of which western civilisation gives scarcely any evidence; here again (*i. e.*, for the permanent collection at Kensington), only especially rare and remarkable specimens need be secured.

It will, perhaps, be a question whether the "Indian Museum," at Whitehall, ought to be enriched on this occasion, and in particular, whether, considering the fact of the existence of that collection, the South Kensington Museum ought in future to expend any portion of its funds in the purchase of specimens of Oriental art, other than for purposes of circulation for direct instructional purposes.

Lastly, one paramount and unmixed evil should be carefully guarded against, not courted as it was on previous occasions, namely, the indiscriminate reception at the close of the Exhibition of gifts from exhibitors. On the last occasion (1862) a circular was issued inviting exhibitors to present specimens to the museum, the result of which was the reception of an enormous mass of heterogeneous and, for the most part, utterly valueless matter, an inconvenient residuum of mere rubbish, requiring nevertheless to be housed and kept at just as much trouble and expense as if it were a treasure.

2. If any specimens were to be purchased as permanent gifts to provincial museums, a different class of objects would present themselves for selection; such locality to which assistance in this respect might be extended should have its own speciality taken primarily into account. The direct improvement of local manufactures is here the main object, and the technical and commercial elements should perhaps be as much considered as that of excellence of design. Trades' museums representing limited specialities, would doubtless be legitimate and useful creations in the provincial towns, but any universal trades' museum in the metropolis would, on the contrary, be a useless and indeed impracticable scheme.

Manchester, Birmingham, and the Staffordshire Potteries, as instances in point, might, on this occasion, each select from the point of view of general excellence, combined with novelty in design and process of manufacture, the works produced in other countries corresponding with their own several industries, and properly qualified persons, deputed from the respective localities, in particular the masters of the Government Schools of Art, would probably make better selections in their special manufactures, than could be done by any central authorities.

3. I now come to the class of objects to be selected for circulation for the purpose of temporary exhibition and study in provincial institutions. The greatest circumspection would be here required. The express purpose of such acquisitions would be to improve the taste of students and the public at large; but, unfortunately, such is the comparatively low average of industrial art in every European country at the present time, that it is difficult to point to any objects which could be held up as models for unqualified admiration and imitation; as a rule, objects of modern industrial art are not the proper things for this purpose.

It

It may be assumed that the masterpieces of the Exhibition, the acquisition of which has been already advocated, would not be available for purposes of circulation; they, on the contrary, ought obviously to remain as fixed and permanent specimens in the metropolitan museum; casts, electrotypes, drawings, engravings, and photographs of the great original works of former periods, are here far more valuable than the feebler and nearly always eclectic productions of the present day.

It may be safely said that there is no genuine original style of design prevalent in any European country at the present moment; for this we must turn to the east, where traditional styles in infinite variety, often embodied in forms of the highest beauty, are still kept alive. Here then, if anywhere, acquisitions from the present point of view should be made.

For the purpose now under consideration, objects of European origin may indeed almost be left out of the question. In the European sections of the Exhibition, works designed in imitation of ancient styles, often executed with great technical ability abound, but specimens of modern, gothic, or revived "renaissance" for instance, are surely not to be put forward for study in preference to the original types, of which they are but the pale and lifeless copy.

Again, another great class of modern works of art, more especially of continental origin, should be inexorably dismissed. I mean the mere imitations of specimens of art manufacture of former times, such as the Neapolitan copies of Greek and Etruscan wares, the modern French versions of the enamels of Limoges, or the pottery of Bernard Pallissy; the modern majestica of Florence; the revived old Saxon and Venetian glass, and 100 other revivals and imitations, for the most part produced with a fraudulent intent, and always immeasurably inferior to the originals. All these things are worthless shams, on which it is scarcely necessary to say, not a penny of public money should on any pretext be spent.

There remains then but one proper source of acquisition for this special purpose, that of Oriental art. The Paris Exhibition contains very remarkable contributions from Turkey, Egypt, Persia, India, China, and Japan; it is to be feared that a great proportion of the more desirable specimens are already sold, but nevertheless a considerable number of interesting and appropriate objects might perhaps still be secured. Here, however, not every abstractly desirable work would be found available for the purpose in view. Some, such as the splendid carpets and rugs, which form such a marked feature in the Exhibition, are often of such large dimensions that it would be difficult, if not impossible, to deal with them as circulating matter.

On the whole, I think the subject of making acquisitions from the Paris Exhibition, for the express purpose of circulation to schools of art, is a comparatively unimportant one, and I revert to my first proposition, namely, that the main object should be to acquire for the permanent metropolitan collection, those specially important and costly specimens, which the general verdict of the jurors and the public at large, has already proclaimed to be of paramount excellence. There would, I think, be but little diversity of opinion in respect to the solution of these works, and such specimens would remain for all time, as authentic and important monuments of the art of the period of their production.

Such exceptional works would not be liable to be rendered common, or in a manner obsolete, like mere ordinary objects of art manufacture, by the subsequent fabrication of other and better specimens of the same kind. The ordinary current manufactures cannot be properly appreciated at the immediate period of their production; lapse of time is required to enable their right place and value in the vast and ever changing series to be properly assigned, but it is possible, and in the highest degree desirable, to note from time to time the few precious works, which as it were embody the cumulative excellence of an epoch, and which will always stand out as land-marks in the level plain of ordinary industry; but this even can only be adequately done on occasions like the present, and it is needless to say that if our country neglect this opportunity, a precious link in the historic series already commenced will be irrevocably lost.

I have, &c.
(signed) *J. C. Robinson.*

Appendix, No. 2.

PAPERS handed in by Mr. *Cole*, 9 July 1867.

Appendix, No. 2.

Scientific Objects.

Recommended by Professor *Wyville Thomson*.

French Colonies.—Remarkable collection of products, and a more perfect series than that sent to South Kensington after the Exhibition of 1862.

A specially interesting series, illustrating the recent experiment in making silk from the cocoons of several distinct species of moths.

Algeria.—Fine set of new silks exhibited by the "Société d'Acclimatisation d'Algeria." Ernest Lambat. A fine series of woods.

Brazil.—A fine series of woods, fibres, and other products. Also, a very fine set of the products of the Manioc, such as Cassava flours, tapioca, &c.

A very interesting collection of the products of the Caruamba Palm (*Corypha conifera*).

Russia.—Most interesting series of the less known products shown by the "Comité Auxiliaire du Caucase," especially rich in agricultural products.

No. 550. A good set showing the method of preparing paper from wood.

A very fine collection of woods and of the products of wood, pitch, turpentine, &c. &c., exhibited by the Ministère des Domaines.

New Granada, Equador, Bolivia, &c.—A good collection of woods and of industrial products and medicinal plants.

South American States.—A series of products which might probably be got by applying to M. Durassie, Deleg. Commissioner.

Collection of fossils exhibited by M. François Seguin. A very desirable acquisition.

Australia.—A series of the fossil bones of Australia, exhibited by the Sydney Museum.

Austria.—Two very beautiful collections in comparative osteology, one especially prepared by Professor Hyrtl, of Vienna.

Recommended for Purchase by Professor *Archer*, F.R.S.

Argentine Confederation.—Chiefly animal and vegetable materials used for food, clothing, &c. (20 *l.*?)

Austria.—Fine specimens of veneers, and of other prepared wood-work; ornamental papers, playing cards, &c.; candelabra and lamps of fair workmanship in ormolu; and national costumes. (50 *l.*?)

Bahamas.—Very interesting specimens of cameos, on the shells of *Cassis gigantea*; pearls of the same shell; and a collection of the varieties of Bahama sponge. (50 *l.*?)

Bavaria.—Specimens of ornamental metallic papers, ivories, threads, and spangles. Illustrations of ultramarine manufacture, with applications. Wood-work. A fine series of models of ploughs. (60 *l.*?)

Belgium.—A lace pillow, and an interesting collection of nails in iron, brass, &c. (20 *l.*?)

Canada.—Specimens of native embroidery. Collection of horns, skins, native arms, &c. (25 *l.*?)

Cape of Good Hope.—Specimens of native industry. Useful animal and vegetable products, and food materials. (35 *l.*)

Chili.—Pottery; grass hammock; cloth, and other objects of native manufacture. Dyeing and tanning materials and products. Current coins. Woods, &c. (50 *l.*?)

Denmark.—The Horn of St. George. (452 *l.*) Specimens of Plate. (197 *l.*) } Included in Mr. Cole's recommendations.

Egypt.—Native arms; figures of natives; textiles; model boat; implements, cutlery, &c.; camel harness; and raw products. (250 *l.* ?)

France.—Mosaic work; carton pierre; embossed leather and its imitations; specimens of bookbinding; electrotype in copper and iron; stamped wood imitations of ornamental leather, iron, and other materials, for decorating small boxes, &c.; illustrations of silk-work, &c. (250 *l.* ?)

Greece.—Native costumes (343 *l.*). Varieties of Turkey sponges; food, and other raw products. (10 *l.* ?)

Hawaii.—Very fine examples of native matting; feather-work. (60 *l.* ?)

Italy.—

Japan.—Paper series; fine art specimens.

Malta.—Figures of natives; model of passenger boat. (75 *l.* ?)

Mauritius.—Basket-work. (5 *l.* ?)

Mexico.—Copy of casts of the Zodiac of Tenotchtitlan, and of Monolith Altar (engraved) from the Great Square of Mexico. (100 *l.* ?)

Morocco.—Native manufactures in cloth, pottery, brass, &c.; furniture; house decorations; musical instruments. (250 *l.*)

Natal.—Native arms; musical instruments; horns; carved vessels; woods. (50 *l.* ?)

New South Wales.—Clock and vases (emu shells mounted in silver); native arms; woods; food materials; implements, &c. (450 *l.* ?)

Portugal.—Specimens and carvings of wood; silk (raw, &c.); food material; encaustic tiles; illustrations of turpentine and resin gathering; architectural casts (250 *l.* ?)

Prussia.—Iron castings; nickel and cobalt colours; minerals; models of metallurgical works; illustrations of lead and tinfoil manufactures; illustrations of silk culture and bee-work. (150 *l.* ?)

Queensland.—Collections of native woods, food, and materia medica. (20 *l.* ?)

République de l'Equateur.—Native arms and implements; specimens of woods. (30 *l.* ?)

Roumania.—Agricultural and domestic tools and utensils; specimens of natural history and pottery; national costumes and figures of natives. (200 *l.* ?)

Russia.—National costumes. (400 *l.* ?)

Siam.—The whole collection is to be offered to the French Government.

Spain.—Specimens of ornamental metal-work; furniture; gold lace; food materials; materia medica; silk; encaustic tiles; national costumes. (200 *l.* ?)

Sweden.—Figures showing national costumes. (1,400 *l.* ?) Models of boats (100 *l.* ?)

Switzerland.—Watchmaking (illustrations of); engravings on nickel; straw-work; muslins, &c. (180 *l.* ?)

Trinidad.—Collection of native woods. (25 *l.* ?)

Tunis.—Native pottery; arms and musical instruments; textiles; clothing.

Turkey.—Musical instruments; native manufactures and agricultural produce; cutlery; pottery, &c.; (350 *l.* ?) Costumes and figures (from 50 *l.* to 120 *l.* each. Total, 1,200 *l.* ?)

United States.—Indian arms and dresses; natural history specimens; tools. (100 *l.* ?)

Venezuela.—Native manufactures and raw produce used for food, &c. (100 *l.* ?)

	£.
The Total estimated Cost of Objects specified above - - -	8,127
Figures and Costumes - - - - - - - - -	3,640
Other Objects - - - - - - - - -	£. 4,487

Appendix, No. 2.

RECOMMENDED for Purchase by *J. Scott Tucker*, Esq., C. E.

Algiers.—Eight models of Arab boats.

Austria.—Lighthouse, electrical and telegraphic apparatus; drawings of bridges; workman's manual (price 40 fr.); samples of building materials, &c.; models of Danubian steamers, and of racing wherry; models of miscellaneous mechanical apparatus, boilers, &c.

Belgium.—Models of railway apparatus.
Architectural models.
Model of a water-wheel, and of crystals.

Denmark.—Model of a life-boat.

Egypt.—Ten plaster panels.

England.—Plans, models, sections, and other illustrations of railway apparatus.
Models, &c., of marine works.
Lighthouse apparatus and models.
Photographs and drawings relating to civil engineering.
Architectural models, and samples of building materials.
Naval models.
Miscellaneous, mechanical, and scientific apparatus.

France.—Plans, models, and sections of railway apparatus, and of marine works.
Lighthouse and telegraphic apparatus.
Photographs and drawings relating to civil engineering.
Architectural models and drawings.
Naval models.
Miscellaneous mechanical apparatus for agricultural, manufacturing, building, domestic, camp, and other purposes. Scientific apparatus and scientific objects generally.

Germany.—Model of a gymnasium.

Hawaii.—Models of double canoes.

Holland.—Models of dam and sluice-gates.
Naval models.
Samples of horse-shoes.

Italy.—Model of a lift for repairing ships.
Architectural models.
Models of boats and steam engine.
Samples of horse-shoes.
Miscellaneous mechanical apparatus, &c.

Malta.—Model of a passenger boat.

Newfoundland.—Model of a canoe.

Norway.—Models of ships and boats.

Portugal.—Architectural casts.

Prussia.—Models of railway apparatus.
Photographs of planing and other machinery.
Architectural models and tiles.
Educational models.
Mechanical apparatus, models, &c.
Samples of horse-shoes.

Russia.—Models of frigate and corvette.
Models of miscellaneous mechanical apparatus.

Spain.—Models of life-boats.
Glazed tiles; models of crystals.
Clips and stirrups for climbing and standing on ropes.

Sweden.—Models of a beacon, of boats, and of a roof. Models of furnaces, smelting-houses, &c. Mining apparatus.

Turkey.—Model of fishing-boat.

A sample set of the standard weights, measures, and current coins, of the following countries:—

Austria.	France.	Spain.
Bavaria.	Hesse.	Sweden.
Belgium.	Japan.	Switzerland.
Brazil.	Italy.	Turkey.
China.	Holland.	United States.
Denmark.	Prussia.	Würtemberg.
Egypt.	Russia.	

RECOMMENDED for Purchase by *F. P. Hoare*, Esq.

United States.—Barlow. Planetarium, price 400 *l.*

RECOMMENDED for Purchase by Lieut. Colonel *Scott*, R.E.

France.—Parmentier. Ventilating windows.
Serron & Cie. Ventilator.
Conseil. Apparatus for closing and shutting Persian blinds.
Vicat & Cie. Specimens of a sort of Mosaic made by the assistance of Portland cement.
Muller & Cie. Tiles with glazed surfaces.
Vardiar, Paul. Specimen of each of exhibitor's upright hollow bricks.
Le Miguot. Sample of silex ore; adheres to glass and other smooth surfaces, and can be used for painting in colours.
Lemaire, No. 870. Beautiful work.
Interior decorations.
Iron castings in Classes 22—25. Prices vary from 20 francs for small iron dishes, to 400 francs for life-size figures.
Thirteen models of roof and stairs; 186 models of carpentry; one model of an oblique bridge, by Gaspard de Munter.
Sphères Solaires de M. Caillette. (Class 12, No. 112 in the garden.) These are sun-dials, very instructive; suitable for adaptation to all latitudes, and will give the time to half a minute. Price of dial and stand, 15 *l.* 4 *s.* 2 *d.*
A very good model, which might be useful in metallurgical instruction, of Bessemer's process—"Ecole Lyonnaise Centrale."
A collection of models of botanical specimens.
Andrè Martin. Process for enlarging and diminishing casts; engraved copper plates, &c.

Darmstadt.—J. Schröders. Collection of models illustrative of mechanism and descriptive geometry, &c., 474 *l.* 4 *s.* (Recommended also by Warren de la Rue, Esq.)

EDUCATION.

RECOMMENDED by *E. C. Johnson*, Esq.

France.—A collection of appliances for the instruction of the blind, including specimens of the writing machines, &c., since the time of Hanz in 1784. (60 *l.*?)

OBJECTS Recommended by Mr. *Cole*.

SCIENCE.

France.—Model of bridge erected without centering, exhibited by Messrs. Schneider & Cie. Creusot works.

Darmstadt.—Models for teaching mechanics, recommended by Mr. J. Fowler, P.I. C.E., Mr. De la Rue, and Colonel Scott, R. E.

Italy.—Anatomical preparations. Brunetti.

England.—Section of a steam engine on an American principle, shown in actual working, made by the Whitworth Company.

All Countries.—Ambulances and surgical arrangements for the wounded in the field.

Musical Instruments.—Especially of Eastern nations. The Pacha of Egypt has presented the Egyptian collection to the South Kensington Museum, and a selection from the Tunisian Department has also been promised.

EDUCATION.

Spain.—Mariano Corderera. Ouvrages d'Education.

France.—Instituteurs Français Directeurs de Cours d'Adultes, répresentés par le Ministre de l'Instruction Publique. Rapports, documents, et travaux d'élèves.

Prussia.—Union des Artisans de Berlin. Rapports et documents.

France.—Institut des Frères des Écoles Chrétiennes. Méthodes de dessin, et travaux d'élèves.

Austria.—Ecoles réelles d'Autriche, répresentées par le Ministre de l'Instruction Publique. Travaux d'élèves.

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Würtemberg.—Écoles ouvrières de Perfectionnement de Wurtemberg. Méthode et modéles de dessins. Travaux d'élèves.

France.—Association Polytechnique pour l'Instruction gratuite des Ouvriers, Paris. Rapports et documents.

Bavaria.—École des Arts et des Métiers de Nuremberg. Modèles de dessins et dessins d'élèves.

Austria.—École de Dessin du Musée Imperial Royal Autrichien. Modèles de dessins.

Russia.—Gouvernement Russe, pour ses écoles techniques et artistiques, et principalement pour l'École Strogonoff de Moscou. Modèles et travaux d'élèves.

France.—Écoles de Dessin de M.M. Lavasseur et Lesquien, Fils, Paris. Travaux d'élèves.

Hesse (Class 89).—Société Industrielle, Darmstadt. Modèles de dessins et de méchanique.

Austria.—Chambre de Commerce de Vienne, pour ses cours techniques du soir. Travaux d'élèves.

Italy.—École Professionelle de Dessin, Bergame. Travaux d'élèves.

Spain (Class 89).—Mariano Borrell. Méthodes de dessin et travaux d'élèves.

France.—Société Industrielle, Elbeuf. Méthodes de dessin et travaux d'élèves.
Cours d'Adultes de Dessin et d'Industrie, St. Quentin.

Italy.—Institut Royal Technique, Florence. Travaux d'élèves.

Switzerland.—Gillet, Genève. Méthode de dessin.

France.—École de Dessin de M. Devilly, Metz. Travaux d'élèves.
Silbermann. Collections élémentaires de physique.

Denmark.—École Technique, Copenhagen. Travaux d'élèves.

France.—École de Dessin de Mme. Levasseur, pour les jeunes filles, Paris. Travaux d'élèves.

Prussia.—École de Dessin, Nassau. Travaux d'élèves.

Italy.—Institut Royal Technique, Naples. Travaux d'élèves.

France.—Havant. Publications et cours relatifs à l'enseignement des sciences.
Etablissement des Pupilles de la Marine. Travaux d'élèves.
Écoles Maritimes de Brest, de Cherbourg, de Lorient, de Rochefort, de Toulon. Travaux d'élèves.
Écoles des Arts et Métiers d'Aix, d'Angers, de Châlons. Travaux d'élèves.
Instituteurs Primaires des Vosges. Travaux d'élèves.

RECOMMENDED for Purchase, by *J. H. Pollen*, Esq.

France.—Norman and other head-dresses.
Fremiet, Classes 14 and 15. Sets of costume figures (small):—Also in

India, Cochin China, Russia, Spain, Portugal.—Sections.

Scandinavia.—All of great service for the schools; besides the large figures in the Scandinavian sections.

RECOMMENDED for Purchase, by *Richard Redgrave*, Esq., R.A.

Russia (Strogonoff School of Design).—Thirty-five drawings, representing Russian ornament. Price 151 *l.*
A selection of French and Belgian pictures, to be made from Universal Exhibition and Palais de l'Industrie, for use of art students.

Austria.—Reproductions.

RECOMMENDED for Purchase, by *H. A. Bowler*, Esq.

Fourteen paintings, amounting in all to 1,105 *l.*, lately exhibited in the salons of the Beaux Arts.

Russia.—A collection of casts (Strogonoff School of Design).
Six plaster casts (Filimoner).
"Copies, photographies des miniatures des manuscrits Grecs, conservées dans le Trésor Patriarchal de Moscou." Three livraisons can be exchanged for other reproductions of value of 28 *l.*

Russia.

Russia.—" Reproductions photographiques d'antiquités Russes, conservées dans le Monastère de Troitsky Lavra, Gouvernement de Moscou, executées par les moins eux-mêmes." 120 plates.

Portugal.—Cast of the pulpit of the Church of the Monastery of Santa Crux, by the Architectural Society of Lisbon.

Norway.—Casts of large wooden doorways.

GROUP I.—FRANCE.—Cl. 4. Architecture.

RECOMMENDED by *Louis Gruner*, Esq.

A. indicates first-rate work. B. also good among the good.

There are very superior productions among the many elaborate drawings, of the invention of the architects, as of restorations of ruined buildings in Rome and in France.

Most of the large coloured drawings (restorations sent from Rome), seem to belong to the French Government, and could only be, if desired, copied. The principal ones are:—

	French Catalogue.	
	No. 842.	G. A. Ancelet. Two large drawings; the Via Appia restored; coloured.
A.	847.	C. Ph. Boitte. Thirteen drawings; " Restoration of the Acropolis and the Propylain"; coloured.
B.	849, 850.	Ch. Chauvin. Decorations of the Salle des Concerts du Conservatoir Imperial; executed by order of the Emperor; coloured.
A.	848.	P. E. Bonnet. Restoration of the Theatre at Pompeii; 11 drawings; coloured.
B.	861.	E. J. B. Guillaume. Ten coloured drawings of a restoration of the Temples of Roma and Augustus.
	862.	The same. Restoration of the Theatre of Verona; 10 coloured drawings; details important.
	864.	A. I. Henard. Project of a monument to celebrate the alliance of nations; 6 very large drawings.
B.	866.	C. Huot. Project of a museum and school of design for the town of Aix en Provence; 4 drawings.
	868.	T. A L. Toyau. Twelve coloured drawings; the Temple of Heliopolis (11 and 12 paintings from Pæstum and Pompeii).
B.	870.	Ch. F. Lameire. Nine frames full; project for decorating a church, taken from the Apocalypse; many interesting details, all in colour.
	875.	Const. Moyaux. Six coloured drawings; restoration of the Tabelarium.
A.	876.	A. N. Rormand. Thirteen coloured drawings; Palace built for Prince Napoleon, avenue Montagne.
	885.	Ch. A. Questel. Six coloured drawings; Library and Museum of the town of Grenoble.
B.	888.	F. Thomas. Ten frames full; Nos. 4 to 10, restoration of the palace discovered by M. Victor at Khorasabat.
	889.	F. E. Trilhe. Three frames; project for a museum of " Arts Industriels."
	891.	T. A. E. Vaudremer. Eight drawings; restoration of the Mausoleum of Hadrian, and the Castel St. Angelo as it is now.

The following Numbers are taken from the Catalogue of the last Exhibition of the Champs Elisées, and are not yet taken into the French Catalogue of the Champ de Mars.

B. 2502. S. L. Batigny. Nine coloured drawings; project to restore the Hotel de Ville, " de la place publique de Valenciennes." (8 and 9, a monument to Watteau.)

GROUP II.—Classes 5 and 6.

Cl. 6.—Illustrated Works and Engravings.

France.

12. T. Baudry.

A. 14. P. C. Dunod. Édicte sur l'architecture Lombarde, par F. de Dartein; with many good wood-cuts; 125 *fr.*

17. Morel. Palais, chateaux, hotels, et maisons de France du xv. et xvi. siècles, par Cl. Sauvageot; 4 vols. in fol., 100 livraisons, 2 *fr.* 50 *c.* each.

B. Morel. Monographie du Palais de Commerce édifié à Lyon, par R. Dardel; 25 livraisons, à 4 *fr.* each.

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B. Morel. Les Arts Arabes, par J. Bourgoin; 40 livraisons, 5 *fr.* each.
(Mr. Morel, who continually sends about his works, will submit what else he has published.)

26. T. Turgan. Les grands Ugines; 6 vols. in fol., 12 *fr.* per vol.

A. 27. Germer Baillière. Five large wood-cuts of plants, insects, &c. &c.

51. Gouquil & C^ie^. To be found among the lithographic publications. A. Cours de dessin d'après les maîtres.

B. 97. R. H. Digeon. Engravings and coloured plates after Assyrian antiquities.

A. 130. S. Marie. Lithographies and photo-lithographies.

B. 132. Engelmann & Graf. The best small lithochromes from ancient missals.

Prussia and States of North Germany.

2. Ernst & Korn. A variety of works on architecture, for which exists a separate priced catalogue.

Spain.

A. 1. Ministère de Fomento. A magnificent work. "Monuments architectoniques de l'Espagne," publiés aux frais de la nation; 25 *fr.*, par cahier.

Class 8.—*France.*

A. No. 9. Aubry. Fine plaster casts from plants.

B. No. 25. G. Boeringer. Chryso-plastic or metallised photographie.

No. 107. V. Heng. Good drawings for goldsmith work, among which particularly an Indian houlka.

A. No. 122. L. Laine. Very elegant designs in colour for goldsmith work; le coffret imperial, &c. &c.

No. 155. P. Manguin. Drawings and photographs of furniture and sepulchral monuments.

No. 220. C. Sauvageot.—*See* No. 17, Class 6.

Cl. 8.—*La Belgique.*

B. No. 6. Simoneau et Toovey. Photo-lithographic impressions and heliography.

Cl. 8.—*Bavaria.*

A. No. 8. F. Kreitmayer. Good plaster casts, models, &c.

Cl. 8.—*Würtemberg.*

A. Nos. 1 and 2. Royal Council for the Improvement of Schools. Large and very superior casts of plants, and engravings of the same.

Cl. 8.—*Italie.*

No. 13. P. Vitali. Drawing of a fountain at Perugia.

ADDITIONAL to Class. 6.

Würtemberg.

No. 2. T. G. Cotta.

No. 5. Ebner & Seubert. Works on the fine arts.

A. Without a number. Austria, Class 6. A most magnificent and useful work on the crown jewels of Austria, Hungary, &c. &c.; 48 plates, in colour; imp. folio; 330 florins.

B. Ditto - the same, imprimerie, Lugd. & Real.; the "Shrines of the Relics at Gratz;" with 11 photographs.

Austria.

5. Würtemberg at No. 5. Heider and Von Eitelberger; monuments of the Middle Ages; Austrian estates; a finely illustrated work.

Bavaria.

A. No. 3. Hefner Von Alteneck. Most interesting designs by German, mostly Augsburg, artists for the rich armoury which go in frame under the name of Benvenuto Cellini, sm. fol.

A. No. 3. The same. The Art treasury of H.R.H. the Prince Karl Anton von Hohenzollern Seignearingæ; coloured engravings; 18 plates.

Würtemberg.

B. Class 6. No. 9. C. Mauken. Good ornaments; 100 plates of the drawings by Conrad Weitbrecht.

B. Class 6. No. 2. T. C. Cotta. Massmer's collection of the Boissereu pictures. Sm. in fol.; 2nd edition.

Netherlands.

A. Class 15. No. 23. Vander Marsh; large; superior, and very recommendable.

B. Class 8. No. 3024 and 267; both numbers not existing in the catalogue; cromolithographs of church vessels.

France.

A. Ministère de l'Instruction Publique. Fine casts in plaster of Paris, of ornaments, friezes, &c.

France. Photography, &c., Cl. 9.

Among Cl. 6, No. 30, are to be found some very superior photo-lithographs by T. Marie.

A. Cl. 9. No. 23. A. Bracen (of Doonach) has exhibited a large collection of very good facsimiles of drawings by the great masters, produced by photography, and carbonized.

Prussia.

Cl. 9. No. 23. The Staatz druckerry of Prussia has exhibited heliographic specimens of etruscan vessels and ornaments, &c. &c. (belongs to Class 5.)

Cl. 9. No, 43. F. Brandt. Good photographs.

Austria; *Bavaria.*

Cl. 9. No. 26. T. Leth. Photographs on porcelain, and photo-lithographies.

Cl. 9. No. 37. P. Pretsch. Photo-galvanographie exhibition.

Italy.

Cl. 9. No. 22. P. Lombardi-photographic specimen of Luca della Robbia ware.

A. Cl. 15. No. 2. (No. 49 of the private catalogue) Niessen; a fine drawing of the principal altar at the Cathedral of Munich.

Russia.

A. Belongs to Classes 5 and 6, but without numbers.

A. Antiquités Russez ineditez, de Novogorod.

A. Drawn by R. Martinov; coloured, good and interesting.

France. Architecture, Cl. 4.

2503. T. L. Batigny. Project of a palace for a banker; seven drawings.

A. 2511. A Bourgeois. 29 drawings in 14 frames; the works of restoration executed at the Chateau d' Arret, by M. Moreau; many very worth having, although others are tasteless.

A. 2546. Rohault de fleury. Six very fine drawings in colour, representing the "Palazzo Vecchio" at Florence.

A. 2547. The same. A beautiful drawing of the Palazzo del Podestâ at Florence; coloured.

The following drawings are among those which are exhibited round the jardin interieur. It seems, that for them, also no catalogue exists.

138. Dubois. 11 drawings; architecture civile de la renaisance. These seem to belong to Government, but might be copied.

124. Chateau Imperial de Pierrefond.

90. Du Tubé de Favuel (?) a screen.

Würtemberg, on the same line.

Restoration of the Munster of Ulm. *See* below among the engravings.

B. Empire Ottoman. Construction du Gare; drawn by Ergère; with many other interesting Turkish buildings and monuments, but all without numbers.

B. In the Scandinavian department of the Histoire du travail Maudelgren, Monumens Scandinaves du Moyen age. *See* below the publications.

Architecture. *Prussia* and the Northern Estates.

Class 2. Nos. 14, 15, 16 and 17. Federico Lose. Four exquisite restorations of terra-cotta buildings in Lombardy.

A. 14. Il Palazzo communale d'Piacenza.
15. Il Santuario di Crema.
16. Cathedrale di Crema.
17. Il campanile di Crema. All coloured.

Roumania, without numbers. Project for a villa for H.S.H. Prince Charles de Hohenzollern.

2. Section of ditto; coloured drawings.

Appendix, No. 2.

B. In the Department of Roumania there are many interesting details; drawings of antiquities, buildings, &c., but no catalogue.

Stephen Emictian. A large drawing outline in pen of the Biserica-trei-cherarche diu Jasi. (The front of a building.)

Italy. A. Cl. 2. Two colossal drawings of the side entrance of St. Maria del fiore at Florence, and of the tabernacle in Or San Michaele, both in colour, and very fine; none of the numbers in the French Catalogue corresponds with the articles exhibited.

Russie. Catalogue special.

B. Nos. 117 and 118. "La tour des enfants" at the Alhambra; large fine drawing.

France. A. 80. S. E. E. Brandon. Mural painting, executed at the "Oratoire de St. Brigitte à Rome."

Recommended for Purchase by *R. H. Soden Smith*, Esq.

Algeria.—Photographs, by Captain Piroul.

Austria.—A pair of ornamented ear-rings, filigree work; enamel cupholders.
* Exhibited by M. B. Tric, Prague. * 200 specimens of animals, &c. in spirits (40 *l.*)
Highly interesting specimens of personal jewellery.
* 30 species of corals and radiata (7 *l.* 16 *s.* 8 *d.*)
Two photographs (by Leth & Wister) of art objects.
Coloured lithographs of the palace of the Emperor, from the Imperial printing establishment at Vienna.
Chromolithographs, by Holzel (30 francs each).
Four small cases of skeletons of reptiles and fish, by Professor Hyrtl (Class xii. No. 4.)
Dr. Fritsch's Hist. Nat. des Oiseaux de l'Europe (7 *l.*?)
Tools, and models of tools, by Wertheim.

Baden.—Photographs of Heidelberg (Meder & Richard.)

Bavaria.—Photographs of chefs d'œuvre de l'art (Bruckmann.)

Belgium.—Photographs of paintings in the Musée Wiertz (Class ix. No. 78.)
Coloured photographs of pictures at Ghent, by Van Eyck (Class ix. No. 9.)

Denmark.—Reproductions of ancient Scandinavian work; an antique fibula, bracelets, necklets, and brooches, with applied filigree work.
Coloured illustrations, natural history, by C. Thornam (Class vi. 16.)

France.—Twelve examples of coloured paper (exhibited by Ch. Aubry), 1 *l.* 11 *s.*
Seven works exhibited by A. Morel, as examples of art books, 42 *l.* 5 *s.*
Similar works (not exhibited), by same publisher, 22 *l.* 9 *s.*
Highly interesting examples of personal jewellery (in History of Labour).
Two books, "Marc Antoine," and "Recueil d'ornements," each 100 francs.
Four photographs of art objects.
Photographs of flowers, coloured after nature, by Kahn & Co. (Class ix. 31.)
Models of leaves, exhibited by Mr. Ponce Blanc.
Photographs of leaves exhibited by Audry (Class viii. No. 9.)

Greece.—Earrings of gold repoussé and applied filigree work, antique pattern (Class xxi. 2.)

Prussia.—Ruprecht's, Atlas der Naturgeschichte (2 *l.* 8 *s.* 4 *d.*)

Russia.—Two photographs [Caucasus and Kremlin], Class ix. 7.

Portugal.—Pair of earrings, goa work.

Morocco.—Suggestive specimens of personal jewellery.

Sweden.—Work containing illustrations of engraved stones (Runic), Class vi.

Würtemberg.—Tableaux servant à l'Etude de l'Histoire Universelle, by L. Weisser.

France.—Heliographie - - - Placet.
Heliogravure - - - Drivet & Balans.
Photo-lithog. - - - Lemercier.
Ditto - - - - Poitevin.
Ditto - - (procedé Marie).
Photographs metalized, Bieringer.
Photographic engraving in relief on metal, Comte's process.
Lithography, examples of, Bertant.
Ditto - coloured and chromo, Dupuy.
Etchings of ornament, Goupil.
Cromolithograph, by Paterno.

RECOMMENDED for Purchase by *George Wallis*, Esq.

France.— Cana. A tripod plateau, with subjects of the chase, &c., bronze; price 22*l.* Would be suitable for circulation to provincial exhibitions.

France.—Lemaire. Tripod plant vase - - 22 *l.*
Tripod stand *en suite* - 22 *l.*

France.—Fel. The bronze group of the rape of Proserpine, with the metal jets and mould marks untouched from the sand, 25 *l.*

France.—Faget. Iron repoussé and chiselled door knocker.

Russia.—Liéberick. Dead stag on a rush matting, bronze, 9 *l.* 12 *s.*
Total cost (about) 100 *l.*

ART MANUFACTURES.

RECOMMENDED by *A. H. Layard*, Esq., M.P.

Egypt.—The Meymar collection.

Morocco.—Pottery and stuffs.

Persia.—Book covers, &c.

France.—Baccarat's glass; especially the white and ruby engraved vases.
Barbedienne. Objects in metal and enamel.

Spain —Spanish metal work.

France.—Genlis and Rudchart. Tiles and pottery.
Pull. Ancient ware.
Plate; specimens exhibited by Fanniére père, and at Christofle's.
Enamels (at Duron's).

Austria.—Leimer. Intarsia wood-work.

Denmark.—Inlaid wood.

Prussia.—Specimens of cheap china.

Japan.—Specimens of porcelain, in building in machinery section.

Italy.—Specimens of carved wood and ivory and ebony inlay. Peasant jewellery.

RECOMMENDED for Purchase by *P. Graham*, Esq.

Enamels by Lepec.

A cup and cover with gold cupid, mounted; price 300 *l.*
A bottle in the Persian style; 100 *l.*
A cup, red enamel tripod; 80 *l.*
Roudillon. Tapestry, with metallic ground in the Oriental style.

RECOMMENDED for Purchase by *Owen Jones*, Esq.

Italy.—Collection of 595 objects of Italian jewellery. Recommended also by Mr. Cole, Mr. Digby Wyatt, Mr. Maskelyne, and Mr. Layard, M.P.

Morocco.—Specimens of pierced plaster windows, blue and white, from Tangiers. Gold embroidery on velvet, and several smaller specimens of perfect design. Many woven fabrics of elegant design.

Persia.—Book covers, boxes, arms.

Egypt.—Wonderful specimen of inscriptions in gold and silver, embroidered on black ground.
Rude pottery of the Nile, good shapes, &c. Magnificent gold, silver, and colour, embroidered on velvet.

China.—Embroidery on red silk; magnificent specimen, and many others, in different parts of China.

Japan.—Carvings in ivory, and many valuable specimens of lacker work.

Siam.—Painted blinds, interesting drawing, quite mediæval in character.

Prussia.—Pierced circle of thin iron, 5/6 diameter, imitated from the iron work of Cairo; wonderful casting and good imitation.
Several reproductions in Berlin iron of Cellini works.

ppendix, No. 2.

Algerine Shops.—Many purchases might be made here as examples of Democratic art; plate, lamps, leather, wood brackets, embroidery, woven fabrics, &c.

China.—Two tables, price 14 *l.*; two ditto, price 12 *l.*; bronze incense burner, price 24 *l.*

Italy.—"Prie Dieu" (also recommended by Mr. Cole).

Siam.—Musical instruments.

RECOMMENDED for Purchase by *John Webb*, Esq.,

France.—Fourdinois. Upright cabinet, 3,000 *l.*

RECOMMENDED by *Reginald Stuart Poole*, Esq.

Persia.—A box (No. 154), and a guitar with a box beneath it, as examples of mosaic work of Shivaz. Other examples may be found among the book bindings, from which a specimen of Persian floral ornament would be worth acquiring.
(Book-covers, also recommended by Mr. Layard.)

Morocco and Tunis.—From the collection of furniture of the Moorish courts, which is instructive, pure in colour, and good in general form and design, is recommended.
An admirable desk-table of painted wood; also a small table for a dinner tray, and cupboards, and a bracket.
(Morocco pottery and stuffs, recommended by Mr. Layard.)
Coloured drawings, to be executed, of the wall decorations.
Two tables; patterns good in design and colour.

Tangiers.—Blue and white porcelain.
One or more Arabesque frames, in which photographs of Tangiers are exhibited.
Moorish jewellery.

Egypt.—A silver filigree coffee service, and a specimen of personal ornament, such as a bracelet.

Turkey.—Specimens of common porcelain.

RECOMMENDED for Purchase by *J. C. Robinson*, Esq.

France.—Barbedienne. Two-handled bronze cup, damascened, or encrusted with natural foliage in gold and silver. No. 76. Price, 8,000 francs.
Silver cup in repoussé work. No. 71. Price 3,000 francs.
Fourdinois. Cabinet in carved walnut wood, price 35,000 (?) francs. A most elaborate and beautifully executed piece, probably the most important specimen ever likely to be produced, of a characteristic modern French style.
Denière. Chimney-piece with oval mirror, in marble and gilt bronze; 20,000 francs.
Royal Manufactory of Sèvres. Oval vase (No. 348) in "vert celadon" with ornamentation in relief, in white; in point of art the most excellent specimen exhibited; 5,000 francs.
Plate in porcelain or faïence; painted in enamel; subject, a lady with a cup of chocolate; 250 francs. (Deck.)
Deck. Painted plate, "Femme aux champignons;" 500 francs.
The painted faïences of Mr. Deck were especially noticed by the jury, and held to show the greatest amount of originality and of real merit of any of the works exhibited in the section.

India.—Ancient silver casket, ornamented with perforated Arabesque work.
Selection of Cashmere lacquered work, for distribution to schools and provincial museums.

England.—Large oviform porcelain vase; green ground (marked A. 189), painted with medallions at front and back, representing, respectively, a group of children and flowers. As a specimen of decorative porcelain of high quality, of good taste in design, and highly finished execution. (Minton.)
(Minton.) Parian group of children, with a waggon wreathed with vine leaves, a centre piece for grapes. An original and tasteful design well carried out.
(Wedgwood.) Chimney piece in alabaster, inlaid with Wedgwood ware plaques. Recommended as a successful adaptation of ceramic products to architectural purposes.
(Wright and Mansfield.) Book-case or cabinet in satin-wood; price 1,000 *l.*
Also recommended by Mr. Cole.
(Holland.) "Etagere" with champlevé enamels inlaid, or large cabinet, in style of 12th century.
Estimate (rough) of cost, 3,870*l.*

Appendix, No. 2

RECOMMENDED for Purchase by *M. Digby Wyatt*, Esq.

France.—A small ebony cabinet by Roudillon; extremely elegant.

A fountain in blue and other faïence by Jean. A good specimen of the application of the faïence de Nevers to decoration.

An enamel head of a lady, with an inscription beneath, beginning "Sola manet virtus," by Alfred Meyer. Good art applied to industry, and mastery of translucency as a process in enamelling.

A picture made by various plaques of shaped faïence, and combined on the stained glass picture principle, by Rousseau. Valuable model for execution of similar works in our country, in which fresco cannot endure, and mosaic must always be very costly.

Papal States.—Small ebony and ivory engraved cabinet, by Gatti. Excellent, and possessing good general effect. Recommended also by Mr. Cole.

Italy.—A large collection of jewellery as worn by the Italian peasantry, made by Castellani. Possessing beauty and historical interest of types founded on classical and ethnographical tradition, and rapidly disappearing. Also recommended by Mr. Cole, Mr. Owen Jones, Mr. Maskelyne, and Mr. Layard, M.P.

Damascening and steel work, by Cortilazzo.

Spain.—Damascening and steel work, by Züloaza.

Russia.—Embroidery on white linen, and some of the Caucasian metal work. Good traditional patterns.

Anything purchasable from the History of Labour collection. Recommmended as new types for study.

Sweden or Norway.—Anything purchasable from the History of Labour gallery of.

India.—Specimens of Biddery ware and other damascening. Recommended for beauty and for conservation of types.

Painted boxes, &c. from Cashmere, and work produced on the lathe by working through various coats of lac varnish. Recommended for novelty of types and process and for portability, for travelling museums.

Inlaid and pietra dura work; the Guthrie collection. Desirable on account of its beauty, and the difficulty of ever again forming such a collection.

India, Algeria, and the Caucasus.—Textile fabrics in considerable quantity on account of their beauty.

Cochin China.—Marqueteries and other work, for novelty and beauty of mother of pearl inlay, &c.

Turkey.—Furniture chests, &c., with tortoiseshell and mother of pearl inlay.

RECOMMENDED for Purchase by *Henry Cole*, Esq., C. B.

Art manufactures; several rather for manufacturing utility than as specimens of Art.

France.—Specimens of glass work from Baccarat, especially three engraved in ruby glass.

One pair, 15,000 *fr.*; a single one 5,000 *fr.* (Also recommended by Mr. Layard.)

Pair of large light blue vases, painted; 8,000 *fr.* per pair.

Specimens of carving in wood, as a table, executed by Chopia.

Viot.—Two vases showing uses of different marbles and enamels on elephants' heads; 16,000 *fr.*

Onyx vase and enamels, 4,000 *fr.* Two busts, 11,000 *fr.* Statue of Florentine singer, by Paul Dubois, 7,500 *fr.*

Barbedienne.—Cabinet in enamel, 16,000 *fr.* Bronze cup, 8,000 *fr.* Mirror, 12,000 *fr.* Pot and plate, 550 *fr.* (Metal and enamel specimens, also recommended by Mr. Layard.)

Marchaud.—Two black marble vases in Greek style, 1,400 *fr.*

Fountain in silvered bronze, 20,000 *fr.* (?)

Three large figures showing uses of Algerian onyx and marble; large decorative objects, to be stationary in museum, 75,000 *fr.*

Sevres Court.—Large white porcelain vase as a specimen of manufacture, 16,000 *fr.*

Light purple vase with surface modelling in various tints. No. 538. Price 1,500 *fr.*

Collinot.—Specimens of tiles and vases in imitation Persian ware.

Paintings, by Adam Yvon (1866), on large plaques of pottery, for surface decoration.

Fourdinnois.—Cabinet sculptures of inlaid light coloured wood, 3,000 *l.*

A second cabinet, 1,500 *l.*?

Dufresne.—Coupe artistique. Repoussè and damascened work.

Lepec.—Enamel necklace. Champlevé. Specimen of his painting.

Gille.—Rue Paradis Poisonniere, No. 28. Statue of Bernard Palissy, two metres high in bisque, 3,500 *fr.* Specimen of difficult manufacture. Other works.

Appendix, No. 2.

Prussia.—Roundels of terra cotta.
Steel gate on machinery platform.

Austria.—Specimens of glass and metal work.

Italy.—Collection of jewellery of the peasants of different provinces of Italy, 1,100 *l.* Also recommended by Mr. Layard, M.P., Mr. Maskelyne, Mr. Owen Jones, Mr. Digby Wyatt, &c.
Carved "Prie Dieu" by Barbetti, and other carved work.
Inlaid cabinet of ivory and ebony, by Gatti. (200 *l.*?)

Denmark.—Silver horn, with figure of St. George, very characteristic specimen. (500 *l.*?) Christensen.
Specimens of various horns, &c. in silver work.
Specimens of cabinet work, characteristic and moderate in price.

Russia.—Specimens of Moscow jewellery; highly characteristic.
Specimens of goldsmiths' work for useful purposes, based upon ancient national examples.

China.—Some gorgeous embroidered draperies, as samples of colour. Porcelain.

Japan.—Specimen of lacquered cabinets, 5,000 *fr.*
Ancient porcelain vase, dated. Price 70 *l.*
This opportunity should be taken to carry out a suggestion made by Mr. Gladstone years ago, for making a collection illustrative of the uses of paper.
Sculptured ivory tusks, 1,000 *fr.* each.
Ancient objects of art manufacture.
Vase, No. 184. Price 1,000 *fr.*
Enamelled cups, No. 185. 1,500 *fr.*
Tortoise shell tray, No. 174. 3,500 *fr.*

Egypt.—The Meymar collection of Arabian ornament. (Recommended also by Greville Chester, Esq., Mr. Poole, Mr. Owen Jones, and Mr. Robinson.) 6,000 *l.* asked.

Italy.—Spinette of Milanese work by Annabalis de Roxis. 1576. 1,200 *l.*
Sculptured marble, entrusted to Mr. Beurdeley for sale probably by Mr. Spence, 16th century.
Several fine bronze busts and other bronzes.

Spain.—Damascene gold and iron shield. 6,000 *fr.*
Ornamental guitar. 3,000 *fr.*

England.—*Dobson.* Engraved glass bottle, subjects being animals. 150 guineas.
Barnard & Bishop. Gates. 750 *l.*
Large Candelabrum. *Hart & Son.* 190 *l.*
Cabinet. *Jackson & Graham* (Class 14, No. 21). Price in parts. *a.* complete, 1,100 *l.* *b.* specimens of the surface only, from 450 *l.* to 850 *l.* (*see* rough sketch).
Inlaid Case for piano. *Jackson & Graham.* 260 *l.*
Enamelled crystal cup by Mr. *Phillips*, of Cockspur-street. 450 *l.*
Elkington's Morel-Ladeuil Shield, 2,000 *l.*

Greece.—Elaborate minute wood carving.

Dresden.—Armoire en ebéne. O. B. Friedrick.
Cheap art manufactures for common use.
Numerous small collections at a moderate cost, illustrating good principles of decoration, might be formed from the collections of several nations, especially Tunis, Morocco, China, Japan, East Indies, Persia, &c.

Italy.—Fine Art. Statue of the last days of Napoleon I. Original purchased by the French Government.

Reproductions.

Recommended by Mr. *Cole.*

France.—Works from the Louvre, in electrotyping galvano-plastique, par Lionnel Frères, 54, Rue de la Verrerie.

	Francs.
Suit of armour by Germain Pilon	2,500
Italian shield	120
Shield of Francis I.	200
Shield of Henry II.	150
Helmet of Francis I.	250
Halbert of Louis XIV.	100

And other works.

Austria.—Plaster casts, &c., by Von Haas, Museum für Kunst and Industrie.

Roumania.—Plaster casts.

Russia.—Plaster casts from shrines from Cathédrale de l'Assomption à Moscow. Église de St. Isodore.
Porte à Rostov; also, ornaments de St. Dimitri à Vladimir.
Plaster casts of pulpit de Santa Cruz.

Italy.—Electrotypes of the finest works in the Museum at Naples.

LETTER from Messrs. *Elkington & Co.* to Mr. *Cole.*

Sir, Paris, 5 July 1867.

IN reply to your inquiry regarding the Milton Repoussé shield, we beg to express our great satisfaction to hear that this fine work is appreciated, and likely to be recommended for probable purchase to the Committee on Purchases from the Paris Exhibition, appointed by the House of Commons.

We wish to explain that the price of 2,000 *l.*, which we have fixed upon as its value, does not remunerate us for nearly three years of M. Morel-Ladeuil's valuable labour, for which, however, we are much pleased to find he has been rewarded by the gold medal.

But we shall be fully satisfied with this price if this choice work be eventually purchased for public use; and, in accordance with your suggestion that some copies might be usefully distributed among the principal schools of art, we beg to say that we shall be happy to supply five copies, without making any additional charge.

We are, &c.

Henry Cole, Esq., C.B. (signed) *Elkington & Co.*

REPORT

FROM THE

SELECT COMMITTEE

ON THE

PARIS EXHIBITION;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
11 *July* 1867.

[*Price* 9 *d.*]

433.

Under 8 *oz.*

FIRST

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
29 *May* 1867.

Monday, 18*th February* 1867.

Ordered, THAT the Committee of Public Accounts do consist of the following Members:—

Mr. Bouverie.	Mr. Hubbard.
Mr. Howes.	Mr. Childers.
Mr. Laing.	Mr. Algernon Egerton.
Lord Robert Montagu.	Mr. Hunt.
Mr. Pollard-Urquhart.	

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Ordered, THAT the Standing Order "That Five be the Quorum" be superseded.

Ordered, THAT Three be the Quorum of the Committee.

Friday, 1*st March* 1867.

Ordered, THAT Mr. Bouverie be discharged from further attendance on the Committee, and that Mr. Hankey be added to the Committee.

Tuesday, 28*th May* 1867.

Ordered, THAT the Copy of the Treasury Minute, dated the 6th February 1867, respecting the Classification of the Miscellaneous Estimates for Civil Services (presented 11th March) be referred to the Committee of Public Accounts.

Wednesday, 29*th May* 1867.

Ordered, THAT the Committee have power to report their Observations, from time to time, to The House.

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FIRST REPORT.

THE COMMITTEE of PUBLIC ACCOUNTS have made progress in the matters to them referred, and have agreed to the following FIRST REPORT:

YOUR COMMITTEE have had under their consideration the plan recommended by Mr. Vine and Mr. Forster (who have been appointed by the Treasury to consider the various questions of classification and arrangement arising from the application to the Civil Service Estimates of the principle of Appropriation Audit), for subdividing each Vote of the Estimates under sub-heads, agreeing with the divisions in the Departmental Ledgers; and they are of opinion that it will be desirable to adopt this recommendation both with reference to the Civil and Revenue Votes and to those for Army and Naval Services.

PROCEEDINGS OF THE COMMITTEE.

Wednesday, 20*th March* 1867.

MEMBERS PRESENT:

Mr. Algernon Egerton.	Mr. Childers.
Mr. Pollard-Urquhart.	Mr. Hunt.

Mr. *Childers* was called to the Chair.

[Adjourned to Wednesday next, at Two o'clock.

Wednesday, 27*th March* 1867.

MEMBERS PRESENT:

Mr. CHILDERS in the Chair.

Mr. Howes.	Mr. Algernon Egerton.
Mr. Pollard-Urquhart.	

The Committee deliberated.

[Adjourned to Wednesday next, at Two o'clock.

Wednesday, 3*rd April* 1867.

MEMBERS PRESENT:

Mr. CHILDERS in the Chair.

Mr. Pollard-Urquhart.	Mr. Laing.
Mr. Hankey.	Mr. Algernon Egerton.
Mr. Hunt.	

Mr. *C. Vine*, Mr. *James Beeby*, Mr. *H. W. Walker*, Mr. *W. Brown*, and Mr. *J. Hanby*, were severally examined.

[Adjourned.

Wednesday, 8*th May* 1867.

MEMBERS PRESENT:

Mr. CHILDERS in the Chair.

Mr. Howes.	Mr. Hankey.
Mr. Algernon Egerton.	Mr. Hunt.
Mr. Pollard-Urquhart.	

Mr. *C. Vine* and Mr. *H. W. Walker* were further examined.

Captain *Douglas Galton* examined.

[Adjourned.

Wednesday, 29th May 1867.

MEMBERS PRESENT:

Mr. CHILDERS in the Chair.

Mr. Hunt.	Mr. Laing.
Mr. Pollard-Urquhart.	Mr. Hankey.

Mr. *C. Vine* further examined.

Mr. *Morgan Hugh Foster* examined.

The Committee deliberated.

Draft Report proposed by the Chairman, read, and *agreed to*, as follows:

"Your Committee have had under their consideration the plan recommended by Mr. Vine and Mr. Foster (who have been appointed by the Treasury to consider the various questions of classification and arrangement arising from the application to the Civil Service Estimates of the principle of Appropriation Audit) for subdividing each Vote of the Estimates under sub-heads, agreeing with the divisions in the Departmental Ledgers; and they are of opinion that it will be desirable to adopt this recommendation, both with reference to the Civil and Revenue Votes and to those for Army and Naval Services."

Question, That this Report be the First Report of the Committee to the House—put, and *agreed to*.

Ordered, To Report.

[Adjourned.

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MINUTES OF EVIDENCE.

Wednesday, 3*rd April* 1867.

MEMBERS PRESENT:

Mr. Childers.
Mr. Algernon Egerton.
Mr. Hankey.
Mr. Hunt.
Mr. Laing.
Mr. Pollard-Urquhart.

HUGH C. E. CHILDERS, Esq., in the Chair.

CHARLES VINE, Esq., and JAMES BEEBY, Esq., called in; and Examined.

C. Vine, Esq.; *J. Beeby*, Esq.

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1. *Chairman* (to Mr. *Beeby*).] You are the Accountant General of the Navy, I believe?—I am.

2. (To Mr. *Vine*.) You are the Inspector of the Army and Navy Accounts, under the Comptroller and Auditor General?—I am.

3. Will you be good enough to refer to the Audit Office Report, at page 11 of the Naval Receipt and Expenditure, section 7. You there call attention to the fact, that the Admiralty has not followed the Treasury rule, "that the date of record should be governed by the date when the payment was actually made, not by the date when the repayment to the department performing the service took place;" what is the present position of that question?—That the date of record is the date of payment by the Paymaster General. There is an explanation given by the Treasury at page 15; it might be a question whether that explanation may be considered a sufficient answer to the objection of the Audit Office.

4. I asked you what the present position of the question is; is it the same with respect to all the departments now?—No, not with regard to the Army. The non-effective services of the Army in the several colonies are paid through the Military Accountant, and therefore they will be recorded under the date when the payments were actually made. The Navy non-effective services are not paid by the navy accountants; they are recorded on the date when the repayment by the Paymaster General to the Chest takes place.

5. The question, then, is in the same position as it was last Session, when you were examined before the Committee on Public Accounts?—Yes; as far as regards the Navy.

6. (To Mr. *Beeby*.) Have you anything to add to the answer you gave last year upon that question?—No, not anything.

7. Do you consider that it is for the public advantage that the present system should continue, of the date of record being the date of repayment instead of the date of payment?—I do.

8. Will you be good enough to renew the reason you gave to the Committee last year?—I think the payments that are alluded to are of a trifling character, and that it would lead to considerable official inconvenience to carry out this principle; we have adopted it with regard to the larger accounts of the Army and the India service, where there are large sums in question, but to carry it out with respect to all the smaller repayments would lead to a great deal of official labour, and the amount is not commensurate with that labour.

9. (To Mr. *Vine*.) Have you any observation to make upon that?—The amount, as far as the Commissariat is concerned, is very small, but I presume that the payments made by the Inland Revenue and the Customs on behalf of the Paymaster General for Navy Services, are rather large.

10. Is not the exception, then, only with respect to the non-effective services?—And also with respect to the payments made through the Customs and the Inland Revenue.

11. For effective services?—For effective and non-effective services, both.

12. How is it with respect to the Army?—I do not think that the Army have any payments made in that way.

13. Not for non-effective services?—I think not; the Accountant General of the Army can, perhaps, answer that question better than I can.

14. Then what is the suggestion of the Audit Office on the question; is it that all payments of all kinds should be recorded under the date when the actual payment was made?—The question raised by the Audit Office was this; it was considered right that the record should be on the date when the payment was actually made, not

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on the date when the repayment to the department performing the service took place.

15. And your doctrine is that that should be of universal application?—It was. I was not aware of the fact stated in the Treasury Minute on the 15th page, that in 1833-34, when the first Appropriation Account of the Navy took place, and in the year 1846-47, when the first Appropriation Account of the Army and Ordnance took place, sums were surrendered to the Exchequer as savings upon those accounts, and that those sums would not have been so large had it not been anticipated that payments, made on behalf of the Paymaster-General through the Inland Revenue, the Customs, and Commissariat Chest, would be included in the accounts for the succeeding year. Now, if that was the case, and it was really an understood thing at that time that the payments made through the Paymaster General, although made by his agents in one year, should be recorded in the year when they actually appeared in the Paymaster General's account, it becomes a question whether it might not be considered sufficient.

16. Now, you mean that your objection was rather a Parliamentary objection than a practical objection; and as Parliament appears to have sanctioned the principle, your objection has not the same weight as it would otherwise have had?—Quite so.

17. (To Mr. *Beeby.*) You are of opinion that great inconvenience would be occasioned by departing from the original arrangement?—Quite so.

18. (To Mr. *Vine.*) There might be a question with regard to the Commissariat, whether the Navy might not adopt the same practice as the Army, viz., to make the payments through their own accountants at stations where they have accountants.

19. (To Mr. *Beeby.*) Wherever there is a Navy Accountant, you make the payment through him, I think; I allude to non-effective services?—As regards non-effective services, the payment relates to the Paymaster-General. I have nothing to do with authorising such payments; that rests with the Paymaster General.

20. With respect to the effective service payments, that is the rule at present, is it not?—Yes, quite so, wherever there is a Naval Accountant, we pay through that Naval Accountant.

Mr. *Vine.*] I think there may be some misapprehension with regard to the statement made by the Accountant General of the Navy, that the Navy does not authorise the payments for the non-effective services, but that the Paymaster General does. I object to that entirely. I think the authority is the Navy; the Paymaster General exercises no authority at all.

Mr. *Beeby.*] The authority to grant a pension rests with the Lords of the Admiralty, but the authority to authorise the payment of it rests with the Paymaster General.

Mr. *Vine.*] I think not. We will suppose that I wish to pay a person a pension of 20 *l.* a year; and I authorise Messrs. Coutts to pay that pension. If the person who is to receive that pension is going to reside in Scotland, and goes to Messrs. Coutts, and asks them to have the goodness to let that pension be paid through their agents, the Royal Bank, at Edinburgh, and if they do so, I do not think that fact makes Messrs. Coutts the authorising parties.

21. (To Mr. *Beeby.*) How is it, as a matter of fact, the Admiralty warrant is addressed to the Paymaster General?—The Admiralty warrant authorising the pension is addressed to the Paymaster General.

22. From that point, does the Admiralty know anything about the hand that pays?—Not at all.

23. Therefore the Admiralty responsibility ends with the issue of the original warrant?—Yes.

24. Mr. *Hunt.*] How is the voucher obtained by the person to whom the money is paid?—From the Paymaster General; he issues his own documents.

25. Upon the warrant from the Admiralty?—Yes.

26. Having received the warrant from the Admiralty, the Paymaster General issues a voucher to the person who is to receive the money, does he?—Quite so.

27. *Chairman.*] Then, going to the next question, the Audit Office object that the detailed vouchers have not been produced to them in support of a payment of 15,165 *l.* 7 *s.* to the Crown Agent for the Colonies in respect of the colonial steamer "Victoria;" what is the explanation of that?—The vouchers had been received in the office, and seen by the Director of Transports, and in my own department, and had been afterwards sent back to the Colony when a settlement with the Colony was contemplated. The Board of Admiralty considered that, having received those vouchers, and being satisfied with them, we might dispense with the production of them at the precise time when we made the repayment.

28. The expenditure had been incurred and paid by the Colonial Government?—Yes, it had been incurred and paid by the Colonial Government.

29. The Colonial Government had been satisfied with the vouchers?—Yes; but it was not a question of the Colonial Government being satisfied; it was a question of the Admiralty Department being satisfied.

30. The Colonial Government had been originally satisfied with the vouchers upon which it had made the payments?—I presume so.

31. Then was it the view of the Admiralty, that as between government and government, if the payer had audited the accounts and vouchers, and was satisfied, the repayment would not require a fresh audit of the vouchers?—Yes, that was the point.

32. (To Mr. *Vine.*) Do you object to that on principle, that where one government pays, and the other government repays, we should not require a sub-voucher from the original government?—That is a question I am hardly prepared to answer. The Act states that it should be examined and allowed by the department.

33. If the Government of France made a claim upon us to repay certain expenses which they had incurred, and which had been vouched to them, should we require a re-audit of those vouchers?—I think that the Controller and Auditor General would consider it necessary to notice it in the report upon the account.

34. Although he might consider it necessary to notice it as a matter of rule, do you consider it expedient that it should be laid down that the vouchers

vouchers should be re-audited in such a case?—I think the Act of Parliament would require it.

35. The Act of last Session?—Yes.

36. Will you be good enough to refer to the section of that Act which requires it?—It is the 24th section.

Mr. Beeby.] Allow me to re-state that the question went further than the Colonial Government being satisfied with the vouchers, we had received the vouchers in this country; the Director of Transports had seen them, and they had been seen in my own department, but we had sent them back again to the Colony upon some questions, and they were not in the office at the time we made the repayment, but we were satisfied in the office we had had the vouchers.

37. Mr. *Hunt.*] That is not the way in which you put it when you wrote to the Commissioners of Audit upon that subject, on the 4th of December; your letter, at page 13, says, "I am commanded by my Lords Commissioners of the Admiralty to acquaint you that in January 1865, their Lordships decided to accept the statement furnished by the Colonial Government of Victoria of the expenditure of the sum in question, as a sufficient voucher on which to make payment to the colony." You do not there state that you had had the vouchers, and were satisfied?—No, we did not go into it in detail.

38. You now state that you had seen the vouchers, and that you had sent them back, and therefore you were satisfied; in this letter you do not allude to that in any way whatever, but you say that you consider the statement of the Colonial Government a sufficient voucher?—Yes, their Lordships were satisfied; the Admiralty being cognisant of these facts which I have stated.

39. Why in this letter was it not stated that the vouchers had been sent, and that you were satisfied with them?—If there had been any rejoinder, we should have stated that, but this was considered satisfactory, and I presume the Audit Board considered it so too, as nothing further was said.

40. Is it not rather curious that you now give us a different reason for being satisfied, from that given in the official letter?—Not a different reason; a more detailed reason.

41. You just stated to the Committee that the vouchers had been sent, and that you were satisfied with the vouchers?—Yes.

42. But what the Admiralty letter, dated the 4th of December, states, is this; that you accepted the statement of the Colonial Government as a sufficient voucher?—Yes; that being the only document in the office at the time this repayment was made.

43. But at the time that letter was written you had already had the vouchers from the Colonial Government?—Yes, we had received them, but they were not in the office.

44. Why was not it stated that the vouchers had been received and examined; they had been examined, had they?—They had not been finally examined, I think, because the question was in abeyance, and in the meanwhile they were sent back.

45. Mr. *Laing.*] Would not the better course have been to have kept a certified copy of these vouchers for the purpose of the audit, and to have forwarded that to the Audit Board with an explanation of the circumstances of the original vouchers having been sent back?—Yes; if the loss of the vouchers could have been foreseen, it undoubtedly might have been.

46. *Chairman.*] You mean that the vouchers had been sent back before you knew that there would be a necessity of vouching these repayments?—Yes, of making the repayments at that particular time.

47. (To Mr. *Vine.*) Going to the general question of principle, which is an interesting one, do you conceive that in the event of a claim by a foreign government for the repayment of expenses which they have paid on account of this country, we should require the original vouchers, though they had been audited by that foreign government?—The 24th section of the Act of last year states that "an appropriation account of supply grants shall exhibit on the charge-side thereof the sum or sums appropriated by Parliament for the service of the financial year to which the account relates, and on the discharge-side thereof the sums which may have actually come in course of payment within the same period; and no imprest or advance of the application of which an account may not have been rendered to and allowed by the Accounting Department shall be included on the discharge-side thereof."

48. How does that effect it; those last words do not at all relate to vouchers which have been allowed?—The question is, whether these vouchers were "rendered to and allowed by the Accounting Department;" in the case you put, there would be no vouchers rendered.

49. You mean to say that the claim and receipt of a foreign government would not be a sufficient voucher?—It would certainly be a question under this clause of the Act, whether it could be accepted as a voucher.

50. You do not think that the subsequent clauses of the Act modifying the conditions as to vouchers, would meet that point?—No.

51. You would lay down the doctrine that in future, whenever a foreign government makes a claim upon us for the repayment of a charge which they have paid, they must produce to us and leave with us their vouchers?—Yes; in the same way as they require us to do.

52. What foreign governments require us to do so now?—I think when you get to paragraph 9 you will find that.

53. Still I ask the question?—The French Government.

54. Does the French Government require us to produce to them the original vouchers in every case?—There was a disallowance of 1,363 *l.* 8 *s.* by the French Government, because a correct voucher was not produced.

55. Because a correct voucher was not produced by our Government to them?—Yes.

56. And you consider that that is a rule which should be observed?—I do.

57. Mr. *Hunt.*] What would be your objection on principle, to receiving a statement by a foreign government or a colonial government, as to the amount that they had expended?—That I should not consider it a voucher; a mere statement unsupported by receipts for the expenditure is no voucher.

58. I mean not a statement by an individual, but a statement by a government; you consider that that would not be a sufficient sanction for allowing the amount?—I think it would not.

59. *Chairman.*] With reference to the 29th and 30th sections of the "Exchequer and Audit Act," which state with respect to the services enumerated

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enumerated in Schedule B., that is, Army and Navy, I think that the Audit Office, being satisfied that the accounts bear evidence that the vouchers have been checked by the proper departmental officer, may admit the accounts; you do not think that a foreign government would be treated as a department for that purpose?—No, I think not.

60. That is to say, although you would not require with respect to the Navy Accounts an examination of the vouchers, if the accounts bore evidence that the vouchers had been examined and checked, you would require it with respect to a foreign government?—We require that every document upon which a first entry is made in the Navy books, shall bear upon the face of it evidence of examination and allowance.

61. Would you go further with respect to an amount claimed by a foreign government?—I should not go further than that the vouchers in support of their claim must be produced; they should bear evidence of examination and allowance.

62. The words in the 29th section of the "Exchequer and Audit Department Act" are, "after satisfying himself that the accounts bear evidence," not that the vouchers bear evidence?—Yes.

63. Mr. *Pollard-Urquhart.*] Do all the foreign governments require to have these original vouchers from you, or only the French Government?—I cannot answer that question; the Accountant General of the Navy can answer it better.

64. Mr. *Laing.*] (To Mr. *Beeby.*) What course do you take with reference to claims upon the French and other foreign Governments for repayment like that alluded to in paragraph 9; do you forward the original vouchers to Paris?—Yes; the vouchers are forwarded; there would be the receipt of the French officer, in the case of a claim for a supply of coals, showing that he had received those coals; which would be sent to the French Government.

65. How does it work in practice; whom do you send the original voucher to?—To the French Government.

66. Do you send it by post to the department, or how?—It is generally sent through the Foreign Office, and through the Ambassador, I think.

67. It is submitted to the department in Paris?—Yes.

68. And then returned here?—We do not want the vouchers back again; we request that payment may be made to Her Majesty's Paymaster General.

69. Mr. *Pollard-Urquhart.*] Do all the foreign governments require the transmission of the original vouchers, or is it only the French Government?—One course is pursued with regard to all claims; we send the vouchers.

70. Do all insist upon it equally?—I am not aware of any demand having been made for vouchers, because I believe we have sent them in the first instance.

71. Mr. *Hunt.*] Do you know how the practice commenced of sending vouchers to foreign governments?—I think Mr. Walker can answer that question better than I can.

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72. *Chairman.*] YOU are the head of the Audit Office in the Accountant General's Office of the Navy?—I am the inspector and auditor of yard accounts.

73. Mr. *Hunt.*] Can you tell the Committee how the practice commenced of sending vouchers to foreign governments?—With reference to the question of furnishing foreign governments with the detailed vouchers accompanying departmental statements, it was not the practice of the Naval Departments to furnish such a detailed voucher to the French Government when their hostilities were in common with ours, when we made all cash payments in the first instance, and were recouped afterwards by the French Government for them.

74. Has it become so since?—We render an account and give full particulars; I conceive that the accuracy of the same is established by the head of the department, who fully confirms and approves the transaction; it is endorsed by the Administrative Department, whether the Admiralty or the War Office; and I should judge, that for a foreign government to overlay it with small strips of receipts by the private individuals to whom it was paid, would be quite unnecessary.

75. Mr. *Hunt.*] Is this account which you sent to the foreign governments certified by anybody?—Yes, by the officer at the head of the department; take, for instance, supplies of coals to French steamers in the war in which they were engaged in common with us; in that case it was certified by the Storekeeper General of the Navy, and in the case of stores supplied, supported by the receipts of the French officers demanding the same.

76. It is a detailed statement that is sent?—Yes, a detailed statement.

77. *Chairman.*] Was the claim of the Crown agents for the Colonies in respect of the steamer "Victoria," which was the subject of the inquiry, a detailed statement?—It was upon a detailed statement, and there was upon the face of the document and correspondence accompanying the same, everything which I should conceive to be necessary between one department and another to prove two facts; first of all, the veracity of the payment, and secondly a sufficiently full and clear statement of the particulars on account of which the payment had been incurred; thereby leaving no doubt that the payment had taken place, and as to what department should bear the charge.

78. Mr. *Hunt.*] Was that a statement certified by any responsible officer?—It was signed by the paymaster of the ship, and its accuracy vouched for by the Treasury Department at Melbourne.

79. *Chairman.*] By the Colonial Office?—That I cannot say, but I am satisfied, the transaction having gone through my hands, that it was substantially correct for purposes of payment, and I should say for purposes of audit. I may mention that, only very recently, cases have occurred in which the War Department made a claim upon the Admiralty on account of certain Army passages, the vouchers in support of which had been received in their department; they had a certified copy of an entry in the agents' books, and the fact of the record in their books has been confirmed by the documents themselves. In the removal of the War Office from one

one position to the other, those vouchers had become lost, and the question arose whether that claim was to be borne by the Naval Department on the internal evidence existing in the books of that office, confirmed originally by those documents which had been subsequently lost, or whether, failing that which was ordinarily required, it should remain as a charge upon the department whose votes had temporarily borne the service. The Lords of the Treasury decided that the internal evidence sustained by the production of those documents should be received as sufficient evidence for the charge being borne by the department which took provision for the services.

80. As to the Colonial charge, you had first of all a certified statement from the Colony, accompanied with vouchers?—In the first instance the claim was made in the usual way, sustained by vouchers in support of the transactions; those vouchers had been received in the office to which the service originally related, but the Director of Transports had never examined those vouchers, nor had the department of the Accountant General of the Navy. Between the time of its reaching the Director of Transports and its being subsequently dealt with as a final charge, those vouchers had passed out of the office; they were not forthcoming; but there had been sufficient general examination upon those vouchers when they reached the Director of Transports to satisfy the head of the office of the validity of the charge; and subsequently to that there was a statement rendered by the colony, which could leave no doubt as between one department and the other, there being no object or inducement for the one department to overlay the other, that it ought to be received.

81. Was this statement by the Colony sent to the Commissioners of Audit?—It constituted a portion of the vouchers upon which the officer locally situated in the Naval Department for the Audit Office undertakes the examination; a gentleman from the Audit Office comes there day by day. That document was put before the auditors, and the evidence which satisfied the Accountant General of the Navy in the first instance was laid before them. I do not mean to say that it would not have been more complete if the vouchers had been forthcoming, but I submit that by the rules of general procedure they had enough to satisfy them.

82. The question arises whether, in such cases, any detailed vouchers are necessary, or whether we should accept a certificate?—That is a larger question.

83. Was there, in addition to those detailed vouchers, any certificate of the Colonial Government that the expenditure had been made?—There was an affirmation on the part of the Colonial Government that the expenditure had taken place under the descriptions given in the statement.

84. (To Mr. *Vine.*) What have you to say to that; did you ever get that at the Audit Office?—We merely had the account current of the Colonial Government.

85. You did not receive this affirmation which Mr. Walker speaks of; it was not submitted to you?—I cannot say whether it was or not.

(Mr. *Walker.*) The documents upon which we paid the money were placed in the hands of the auditor for the purpose of checking and examination.

86. Mr. *Hunt.*] Supposing that such a document was submitted to you, what reason would there be for not receiving that as a sufficient voucher without the detailed vouchers?—We have never been in the habit of accepting a mere statement as a voucher, nor can I reconcile the fact of such a statement being accepted without the vouchers, with the objection mentioned in paragraph 9. If a statement only was furnished to the French Government, how could the French Government object to repay the sum of 1,363 *l.* 8 *s.* on account of the illegible signature of the voucher sent to them.

87. *Chairman.*] However, it comes to this, that as between government and government, although the government which claims the repayment gives a full receipt, and gives a detailed account, which on the face of the account appears to have been examined, though they are satisfied, you would require more, and you think that the vouchers themselves should be remitted by the government to whom the repayment is made to be examined by you; do you think that that ought to be the case?—I think it ought, otherwise the Controller and Auditor General would think it necessary to notice it in the report to Parliament. If we receive instructions that that is to be the rule, of course we shall be satisfied, and shall follow the rule so laid down.

88. (To Mr. *Walker.*) Can you produce the account which was rendered by the colony?—Certainly.

89. Will you be good enough to produce it at our next meeting?—Yes.

90. (To Mr. *Vine.*) Coming on to the next question, a claim appears to have been made upon the French Government for coals supplied to them at Shanghai, and the French officer who received the coals appears to have given a receipt for them?—I am not prepared to say that it was a French officer at all; the French Government object, because the signature is illegible, and they say they cannot trace the transaction.

91. What was the document in support of the claim to which you allude?—It was supposed to be a receipt given by somebody on behalf of the French Government.

92. A receipt given by a French officer, which the French Government have refused to admit?—Yes, and they do not even admit that it was a French officer.

93. A receipt then which was taken by an English naval authority at Shanghai, but which is disputed by the French Government?—Yes.

94. (To Mr. *Beeby.*) Have you any remark to make upon that?—This is rather an unusual occurrence, I think, for the Audit Office to animadvert upon such a transaction, inasmuch as this does not appear on the face of the annual cash account, but it is one of the claims preferred by the Storekeeper General, which he was unable to substantiate. However, on looking into the case I find that he made a further report, when this difficulty arose on account of the illegible signature, that he was satisfied that those coals which had been supplied to the French Government had been repaid in kind by the French Government, and it was upon that statement that this claim was withdrawn. I hold in my hand the Admiralty order, which was made as the result of this report, in which it was withdrawn on the ground of its appearing that the value had been repaid in kind on the station.

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95. Then, the facts are these: the Shanghai has in it an entry of the delivery of some coals to the French Government?—Yes.

96. Which entry of the delivery of coals the French Government dispute?—Yes.

97. Does the Audit Office audit the store accounts?—They do not.

98. (To Mr. *Vine.*) Then if the Audit Office does not audit the store accounts, how comes this question to arise?—A receivable order was cancelled in this case.

(Mr. *Beeby.*) That occurs very frequently, but this is the first instance which I recollect in which it has been noticed by the Audit Office.

99. (To Mr. *Vine.*) There was a receivable order, to receive and place to the credit of the vote a certain amount from the French Government?—Yes.

100. That receivable order came as a matter of course, under the notice of the clerk of the Audit Office, who is employed in the Admiralty?—Yes.

101. And he noticing that it was cancelled, called the attention of the Audit Board to it?—Yes; the fact being, that by cancelling that receivable order, this sum became chargeable against the Navy grants.

102. But my question originally was, do you examine the store account, so as to see that all the items in it refer to services which are properly chargeable against Navy grants?—No.

103. Then you only ascertained this by accident?—It was ascertained from the examination of the receivable order book.

104. Is it then the present practice, that no store accounts are examined by the Audit Office?—Yes; none are examined.

105. Is it your intention, by calling attention to this, to intimate that you think the store accounts ought to be examined by the Audit Office?—No.

106. Then if the store accounts are not to be examined by the Audit Office, and you do not think they should be, how can you keep up any continuous check merely by the notice of casual claims of this kind?—We have no check. The Admiralty may make presents, right and left, of their stores, and we have no check upon them whatever.

107. If that is the case, under what circumstances did you consider it your duty to call attention to this point in the report?—Because this was cash; it was entered in the receivable order book.

108. The entry was actually made?—The entry was actually made in the receivable order book, and a receivable order sent to the Paymaster General.

109. And actually carried to the credit of the vote?—No, not carried to the credit of the vote until the money is received.

110. When it was received, would it have been paid to the Exchequer, or carried to the credit of the vote?—It would have been carried to the credit of the vote.

111. But as a sum to be carried to the credit of the vote, it came under your notice?—Yes.

112. Mr. *Laing* (to Mr. *Walker*).] Does not this instance rather show that we should require detailed vouchers from foreign governments, and not be satisfied with a mere certificate; the French Government, in this instance, saved a sum of 1,363 *l.* 8 *s.*, which, if they had paid upon a certificate, they would probably have had to pay, because it is very likely that the certificate would have been given by the department upon the entry in the books of the storekeeper, notwithstanding the illegibility of the signature to the voucher?—Yes; but in this case it appears that the objection was not only the illegibility of the signature, but the fact that the supply had been repaid in kind by the French Government; therefore, I submit that if it be the province of the Audit Office to take exception to the first stage of the proceeding, it being assumed for granted that the consequence of cancelling an order to receive is to imply the ultimate replacement of the charge upon the Navy Vote, then, in order to make that query logical and complete, the Audit Office should have gone a step further, and should have ascertained whether there had not been a recouping in kind, so as to leave our stores just in the same position as they were in the first instance.

113. What I meant to ask was this, was it not the objection taken by the French Government, when the receipt of the French officer was produced to them on account of the illegibility of the signature, which led to the inquiry that resulted in showing that the French Government did not owe the money at all?—Yes.

114. Therefore, if the French Government would have paid the claim upon a simple certificate, it is very likely that you would have sent the certificate in the first instance, and they would have paid money which was not due?—Yes, except that the French keep their accounts with such excessive minuteness and particularity, and have such a perfect record of all cases of charge and discharge of stores, that it would be quite an exceptional case for the English Government to make a claim upon the French Government, and for them to pay it when it was not due.

115. Is not any government that pays money upon a simple certificate liable to mistakes?—I do not mean to convey to the Committee that the certified statement is merely a simple narrative of the transaction, but all the circumstances in point of time, place, and condition are so clearly and fully stated, that the production of the original voucher would afford no further information, but would simply, as between government and government, have the effect of a needless and irrelevant signature.

116. *Chairman.*] Who started this claim?—The Storekeeper General.

117. Upon whose report?—Upon the report of his agent at Shanghai.

118. Ought not that agent to have known that it had been repaid in kind?—He should have done so, provided that the repayment in kind took place before he sent home the claim.

119. (To Mr. *Beeby.*) Has inquiry been officially made to ascertain whether that repayment in kind has taken place?—I have here a letter from the Admiralty, which says, "My Lords have withdrawn the claim against the French Government for repayment of the value of 401 tons of coals supplied to their ships in the China seas, it appearing that the value had been repaid in kind on the station. And orders have been given to the Admiral, when in future supplies are made to or received from foreign ships or governments, to cause you to be informed thereof at once." There was an omission to communicate it in this instance.

(Mr.

(Mr. *Vine.*) If when this receivable order was cancelled there had been a document showing that the stores had been actually returned into store at Shanghai, this remark would never have been made.

120. (To Mr. *Beeby.*) What is the real fact; have the coals been returned?—They have been returned, and received into store at Shanghai.

121. And proper evidence of that has been produced?—Quite so.

122. But proper evidence of it was not produced to the Audit Office before they made this report?—The whole transaction was known in August 1865.

(Mr. *Vine.*) It was never placed before us when the receivable order was cancelled.

123. Mr. *Hunt* (to Mr. *Walker*).] What evidence was there that they had been repaid in kind?—They are in the habit at those stations of sending home periodical accounts containing the accounts of all issues of stores; this issue would appear in one account, and in a subsequent account this transaction of the repayment of the coals would appear as a sum to the charge of the agent there as coals received from the French Government in requital of those supplied to the French ships from the stores.

124. (To Mr. *Beeby.*) Has such an account been received, showing that there was this particular repayment?—Yes, the Storekeeper General reports it.

125. *Chairman.*] Will you read that part of the report which relates to this subject?—"It appears that supplies to the extent of 425 tons of coal have been made by the French Government to Her Majesty's ships on the China stations at the period referred to, although there is some difference between the details of the supplies as furnished in Admiral Roye's letter, and those which appear from the engineers' accounts of Her Majesty's ships. A list of the supplies admitted on the accounts in office appears in the margin." It amounts to 425 tons altogether. "I submit, therefore, that the claim against the French Government for the value of 401 tons of coals may be withdrawn in consideration of the supply by that Government of 425 tons of coal for which no claim as yet has been made, care having been taken that no future claim by the French Government in respect of this supply shall be admitted."

126. Was that communicated to the Audit Office?—I cannot say. I am not sure whether it was communicated to the clerk of the Audit Office in our department, or not.

127. Is the mark of the officer upon it, showing that he has seen it?—No, there is no mark upon it.

128. Mr. *Pollard-Urquhart.*] If the French Government were to choose to insist upon all their apparently just claims, in consequence of the illegibility of the signature, they might not only refuse to pay us in respect of this illegibly-signed voucher, but they might also make us repay them for the stores they have handed over to us, might they not?—We should not admit any claim of that kind in this country unless we had proof that the supply was admitted by the store agents. The Storekeeper General of the Navy would require proof from his officers that they had received the stores in respect of which the claim was made.

129. I understood that you had proof that the French Government had repaid to you the stores supplied to them at Shanghai?—Yes.

130. And at the same time the French Government do not admit that the voucher we furnished to them is any proof that we did supply them with any coals at all, because the signature is illegible; that is what you have stated, is it not?—Yes.

131. (To Mr. *Walker*). Then the French Government might properly, if they chose to urge all their just claims, and if they chose to insist upon the fact of the voucher not being authentic, not only refuse to repay us for the coals we claimed to have supplied to them, but charge us for the coals they supplied to us, giving us no credit whatever for those stores which we advanced to them?—I understand your question to be, in the event of their claiming exemption on the score of the illegibility of the signature, that would be against us, and at the same time we might have to pay them in full for all the stores which they supplied to us; I think if a question between government and government is to depend upon people's power of signing their names, it is very perilous.

132. Mr. *Hunt* (to Mr. *Beeby*)]. How is it to be met if the French Government do send in a claim for the 420 tons of coals?—The Storekeeper General by his store accounts would be able to prove the payment; in fact, he says, care will be "taken that no future claim by the French Government in respect of this supply shall be admitted, that is, by his store accounts."

133. *Chairman.*] You mean that you would set the sum of 1,363 *l.* 8 *s.* against it, and refuse to make any further payment?—Yes.

134. Mr. *Pollard-Urquhart.*] But then they might refuse to allow that in consequence of the signature to the document being illegible?—We should not admit it, unless corroborated by the store accounts.

135. *Chairman.*] Have the French Government to your knowledge made any claim in respect of the 425 tons which they delivered into store?—No.

136. Mr. *Pollard-Urquhart* (to Mr. *Walker*).] You stated just now that all the French accounts were kept so very minutely that every single detailed payment was recorded, so that we could pay without hesitation any claim made by them; does not that show the general advantage of keeping detailed accounts?—I did not quite say that. I said that the French Government would not entertain a false claim upon them, because the particularity of their accounts afforded them a most complete and exhaustive check. I think the accounts of all departments should be kept with such fullness and simplicity that each department should have within itself an independent and reliable check.

137. Their accounts are much more particular than ours, are they not?—Infinitely.

138. And this shows the importance of their being so kept?—Yes.

139. *Chairman* (to Mr. *Vine*).] From paragraph No. 10 of the Report, it appears that a sum of 250 *l.* received as fees from students attending the School of Naval Architecture has been carried to the credit of Vote 5, and the Audit Office say that the vote was a gross vote, and not a nett vote, upon the face of it?—So it appears in the Estimates.

140. Therefore the 250 *l.* ought to have been carried to the credit of the Exchequer as an extra receipt?—Yes.

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141. (To Mr. *Beeby*.) What observation have you to make upon that?—We understood that we had authority by a Treasury letter of the 7th September 1865, to pay the salaries of certain officers of the School of Naval Architecture out of those fees. It appears by the Treasury letter that that was not strictly correct, and that they only intended the authority to apply to one year, whereas we, in the absence of further instructions, considered it as applicable to the subsequent year.

142. (To Mr. *Walker*.) Have you the original vote here?—No; it is very true that a gross vote was taken for the School of Naval Architecture, in the Navy Estimates; but in that gross vote no provision of any kind whatever was taken for what are termed the fees to the various professors. Under these circumstances, the Treasury sanctioned the appropriation of certain proportions of the fees from students for the payment of those professorial charges, and as it was anticipated at that time that they would be more than adequate to meet those charges, it was arranged that the residue was to be paid in as an extra receipt into the Exchequer. But it was found as a fact from actual experience that the fees were inadequate to meet the professorial charges, and, consequently, Vote 5 of the Navy Estimates had to bear the amount that was unprovided for over and above what could be met by the fees of the students. It is very true that the arrangement was to be reconsidered at the expiration of a year. The authority for the payment was given on the 27th of September 1865, but the arrangement extended into another year. A statement was to be made to the Treasury of the result of the arrangement, which was accordingly communicated, and the amount of the fees received in the time was likewise stated to the Treasury, and the appropriation was put side by side with it, and the fact was intimated to the Treasury that the difference between the fees received and the professorial charges had to be met out of those votes, but no sum has ever been taken in the Navy Estimates for those charges. Therefore, I conceive that the appropriation of those fees was right in principle.

143. What was to be done in the subsequent year?—So long as the Naval Department had to bear the charge of the School of Naval Architecture, which was up to March last year, that principle was acted upon, but it ceased to be so from the time it was provided for in the Civil Estimates. The whole of the charges, with the exception of Admiralty students' fees and their maintenance, are now provided for in the Civil Service Estimates for the Science and Art Department.

144. Was that change made from the 31st of March last year?—Yes.

WILLIAM BROWN, Esq., and JOHN HANBY, Esq., called in; and Examined.

W. Brown, Esq.; *J. Hanby*, Esq.

145. *Chairman* (to Mr. *Brown*).] WHAT is your office?—I am the Accountant General of the War Office.

146. (To Mr. *Vine*). The first remark you make upon the Army Accounts is in paragraph 7 on page 13, in which you say that a question arose some years ago as to whether certain passages of troops between England and Ireland and coastwise should not be charged to Navy rather than to Army Votes; will you explain that to the Committee?—There are certain passages which are paid for by the Navy, and which appear in the Navy Accounts; there are also some passages between England and Ireland which are paid for by the Army, and appear in the Army Accounts; our question merely is, whether it is desirable that similar things should appear both in the Navy and the Army Accounts.

147. The Admiralty, if I understand it rightly, are supposed to perform all the transport service of the Army?—They are.

148. When a regiment is conveyed coastwise in the United Kingdom in one of Her Majesty's ships, of course the charge for it appears in the Navy Accounts?—Yes.

149. When a regiment is carried coastwise in a hired ship, you say that that ought always to appear in the Navy Accounts also?—Yes.

150. And it does so?—Yes.

151. But when individual passages are taken by sea, is it not the rule to include those in either one or the other?—The Navy pay all passages.

152. You say that they do not in this Audit Office report?—There are a few exceptions.

153. When passages are taken for troops, they do not always appear in one account, but they appear sometimes in the Army, and sometimes in the Navy Account?—No; the same description of passages appear in the Army Account as in the Navy Account. I think at the beginning of the year, if I remember rightly, the Army send to the Navy a statement of the passages required for the probable reliefs, and those the Navy pay for; beyond that the Army pay and charge on their account. I believe that is the fact.

154. Do you mean that if a regiment goes from Holyhead to Dublin, and that has been notified to the Admiralty in good time, the expense of moving that regiment from Holyhead to Dublin would appear in the Navy Account?—Yes.

155. But if a dozen soldiers were taken from Holyhead to Dublin, the expense of the passage of those soldiers would appear in the Army Account?—Yes, exactly; it is a very small question.

156. What is the correction you wish to have made?—That the Navy should take all the passages, in order to be consistent.

157. That is to say, that the Army Department should recover from the Navy Department the cost of those passages?—Yes.

158. You would not as a matter of routine wish that the passages should be actually taken by a naval officer?—Not at all.

159. (To Mr. *Brown*.) What is your answer to that?—If the Admiralty would acquiesce in repaying us for the passages, without entering into considerable correspondence as to whether those men ought to have been sent this way or that; or whether we have the right receipt or a sufficient acquittance; if they would undertake to adopt the charge we should put in our accounts, there would be no difficulty about it. But if the Admiralty enter into a long correspondence, and say, "This is not a sufficient voucher for us to admit the charge," it would be a matter of considerable correspondence and work, where now there is none.

160. As

160. As a matter of correspondence between the departments, the Admiralty make objections to repay to you in account the costs of those casual passages?—Exactly; they are not satisfied with the proof that the service has been performed, but they must have an exact, correct, and formal receipt for the money; if I were to send them a certified copy of a voucher I have got in the War Office, they would say, "That is not sufficient, we must have the original; that makes correspondence and business."

161. Mr. *Pollard-Urquhart.*] You think it better to submit to a slight irregularity of account than to go through this amount of correspondence?—I think so; the sum in question being small.

162. *Chairman* (to Mr. *Vine*).] The War Office account of that expenditure would be examined by your officer in the War Office, I suppose?—As to appropriation, not as to detail.

163. So far, then, as it is an Audit Office question, there would be no difficulty in a credit by the one department to the other?—Yes, there would, if the Navy are to take the charge; the Navy must have the vouchers, and those vouchers must be examined, and approved by the Accounting Department.

164. But so far as the appropriation goes, those vouchers will have passed your officer in the War Office?—No, not if the Navy are to repay them; not as final vouchers, not as a charge against the vote; if those vouchers in the first instance were paid by the Army, and the Army were to re-claim them from the Navy, then no appropriation examination of those vouchers would take place in the Army Department; the appropriation examination of the vouchers would take place when they became chargeable against the Navy grants.

165. Therefore the actual vouchers must be produced by the Army to the Navy authorities, they knowing, among other things, that it may pass under the eye of your officer?—It must be examined and approved by the Accounting Department.

166. (To Mr. *Brown.*) What is the difficulty in carrying that out?—The difficulty is this—the duty is a War Office duty under the military authorities, and therefore I think there is an inconvenience in passing at the Admiralty a charge for which no instructions whatever have emanated from that department, or been given by one of their officers, but which has arisen upon duties only known to be necessary by the War Office.

167. If the War Department certified that that duty was necessary, and the voucher was sufficient to show that the duty had been actually performed, and the money actually received, why should there be any further difficulty?—There is one further difficulty; some of those charges include the railway transit also; they are a mixed charge, consisting of the transit on board ship by sea and the transit by rail. You have to divide that, and say what portion is fairly chargeable to the naval transit, and what to the land transit.

168. The hitch is this—the Admiralty convey by sea, and your department convey by land; where a through ticket is taken, which includes a certain sea passage, the Audit Office would discover that it included the sea passage, and they would say that it ought to have been in part a naval charge?—Yes.

169. Would not a simple solution of that be, that wherever a through ticket was taken, it should be deemed to be a land service?—Yes; and this War Office explanation will, I think, meet that, because the War Office state that the Estimates for 1867–68 will be more explicit, and show those passages which are contemplated in the Army Estimates; and therefore, if Parliament chooses to sanction the passages being provided for in the Army Estimates, I should think the Audit Office can have nothing to say to it.

170. (To Mr. *Vine.*) If it is clear upon the face of the Estimates that the passages consist partly of land and partly of sea transit, the Audit Office can raise no objection?—The Audit Office will have nothing to say to it then.

171. (To Mr. *Brown.*) As a matter of principle, there can be no objection to those movements being deemed to be land services?—With regard to through tickets, there could be no objection to that whatever if the Audit Office, in the appropriation audit, would consider that it was a land service.

172. Mr. *Hankey.*] How would it be if a passage was to occur of men from Southampton to the Channel Islands; what objection would there be to that being considered as a land journey?—That would be altogether a sea passage. It is all water conveyance from Southampton to the Channel Islands. There is no intermediate bit of land; but a better example would be from London to the Channel Islands.

173. Say from London to the Channel Islands, then?—Then, under this rule, it would be put down as a land conveyance altogether, and charged as a land conveyance, and not as a sea conveyance at all.

174. Would not that simplify the accounts?—Yes.

175. Mr. *Hunt.*] Would it not be rather an absurd distinction to say that if you started from Southampton it should be a sea passage, but if you started from a mile inland from Southampton you might treat it as a land passage?—It seems to me that there is no principle in what we are getting into. We are rather diverging from the intelligible principle if we make in any way a sea passage a land passage. It seems not to be quite correct.

176. *Chairman.*] You must draw the line somewhere?—Then, I say, let it remain as it is.

177. Mr. *Pollard-Urquhart.*] The distinction might be this: whether you pay the money in the first instance to a railway company or to a steam packet company; they generally have some sort of correspondence, and you pay all the fare at one place?—Then the question whether you pay at the commencement or at the end of the journey would affect it.

178. Take, for instance, from London to Dublin; both the terminations are in the hands of railway companies, the Kingstown Railway Company at the end, and the London and North Western Railway Company at the beginning of the journey?—Yes, there is no principle; we may be charging according to the shortest distance, and charging the whole amount to that short distance, in fact.

179. *Chairman* (to Mr. *Vine*).] However, the question has now ceased to be an Audit Office question?—Provided it is clearly shown that the passages are provided for in the Army Estimates, and also in the Navy Estimates.

180. Going to the next paragraph, you complain that payments made in New South Wales, Victoria, and New Zealand, cannot be apportioned; will you be good enough to explain what that is?—In a statement at page 106 of the Army Esti-

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mates for the year 1865-66; there appears to be included in the Army Estimates, a sum of 3,343,701 *l.* on account of Army expenditure in the Colonies. Sums are received by the War Office from the Colonies, and are appropriated to cover expenditure, and are not recorded against Army grants. This statement leads us to suppose that they were provided for in the Army Estimates, and that they ought to have been charged against Army grants.

181. Instead of which they have been charged against the Colonies themselves?—Against the sum received from the Colony.

182. That is to say, the sum received from the Colony has been credited to the Exchequer, nett and not gross?—Yes.

183. Has that been corrected in subsequent years?—No, it has not.

184. Then how does the matter stand now?—This is the explanation given by the War Office in answer to the Treasury Minute on that point, "These payments are simply those made by the military accountants on behalf of the local treasurers, from advances made by those officers for pay and allowances voted out of Colonial (not Imperial) funds, and which formed no element of charge provided from the Army Estimates. The arrangement under which the Australian Colonies were to pay a capitation rate on any number of troops that the Colonial Government may ask for in excess of the requirements deemed necessary by the home Government, not having come into operation, the transactions now under notice can consequently come within no other class than that of 'agency.'"

185. What is your answer to that; how do you refute it?—This statement being made, I can go no further; the War Department state that all those sums are provided for in the Army Estimates.

186. Mr. *Hankey.*] They therefore require your audit?—Yes.

187. *Chairman.*] Have those payments been charged to the Army Estimates?—No, these payments have not been charged to Army grants; this statement would lead me to suppose that they were provided for in the Army grants, and ought to have been charged against those grants, and that the sums paid by the Colonies ought to have gone into the Exchequer.

188. It resolves itself into this question: from the charges against Army grants, certain expenditure has been excluded, which expenditure has gone in diminution of the repayments to the Exchequer?—Yes, and which expenditure, I am led to conclude from this statement, was provided for in the Estimates for Army Services.

189. The irregularity which this may lead to is this, that the Estimates, having been based upon certain expenditure being charged upon them, that expenditure has been obtained from another source, and the gross Estimates are available for other expenditure? — Yes, and money has been spent without the sanction of Parliament.

190. (To Mr. *Brown.*) What is your answer to that?—The sums included here in the Army Estimates form a portion only of the total; they include pay, but they include none of the Colonial allowances which have been hitherto paid by the Colonies, but now come in nett under this head.

191. I think the Committee on Colonial and Military Expenditure ascertained that a very large expenditure indeed for strictly military purposes had been defrayed by the Colonies, which did not come through the Army account in any shape whatever?—Yes.

192. These, you say, are the fag end of that system?—Yes; this is the fag end of it. It has expired now, because we shall have to undertake all the payments ourselves; they used to be made by the Colony. The Colony will give us the money, and we shall pay it into the Exchequer, and we shall bear the charges for pay and allowances.

193. Do you mean to say that between 1861, when the Committee on Colonial and Military Expenditure met, and 1865, that grave irregularity had not been corrected?—It has always been a matter of progress only.

194. Although that Committee, if I remember rightly, and I was a member of it, reported very strongly that this was a grave irregularity, and that all payments for purposes cognate to the Estimates ought to pass through the Military Account; is it the case that so late as 1865 that was not carried out?—As regards Ceylon, it will not come into operation until from the 1st of April 1865.

195. Do you mean that the money received by the military authorities in Ceylon will not have passed through the War Office accounts at all till 1866?—The local colonial allowances will not.

196. So that officers may actually have been in receipt of allowances under the permission of the War Office, of which the Accounting Department of the War Office will have known nothing?—Yes; the individual amounts will not have passed through our accounts.

197. Was that a deliberate decision of the War Office upon the recommendation of the Committee upon Colonial and Military Expenditure?—If I mistake not, the War Office have been in correspondence with the Colonial Office, the Treasury, and the Colonies about it, and a commission of officers was deputed to go out to Ceylon to make some calculation as the basis from which to start. It has taken years to do all that.

198. There are two quite distinct questions; there is the question whether these contributions should go in aid of the vote, or whether they should go to the credit of the Exchequer, that is one question; but there is the further question whether these contributions should pass through the War Office books at all; I can understand there being a delay in settling the question as to whether they should go in aid of the vote or to the credit of the Exchequer; but is it the case that the question of their passing through the books at all has been delayed these four years?—(Mr. *Vine.*) They have no record of the expenditure at all.

199. (To Mr. *Brown.*) Has the recommendation of that Committee not been observed?—I do not believe that it has, as regards both Ceylon and the Mauritius, where there were local allowances, and I may add Hong Kong or China.

200. Has it been observed in respect of the Australian contributions, which were the largest?—No, not yet; the fact is that we have not had those Colonial accounts.

201. They have not passed through your books?—No.

202. Mr. *Algernon Egerton.*] Are we to understand that the system is going to be changed, and that they are to pass through your books?—Yes.

203. *Chairman.*] From what date?—With regard to Ceylon, from the 1st of April 1865.

204. In

204. In the case of Australia when will it be?—I cannot say, but it will be as soon as the general arrangement comes into effect, under which they are to pay the capitation grant; it is proposed that the Australian Colonies shall pay a capitation rate of 40 *l.* per annum on all ranks of the infantry, and 70 *l.* per annum on all ranks of artillery and engineers that may be stationed in the Colonies, and from the date of this capitation commencing, the allowances will be examined and will go through our books; up to the present time that has not been done.

205. Those capitation grants will not go in aid of the votes, but will be paid into the Exchequer?—They will go into the Exchequer.

206. Mr. *Hankey* (to Mr. *Vine*).] Does that same remark apply to all the large amount of 3,343,701 *l.* in the Army Estimates, which you stated, as far as you knew, you had had no vouchers for?—This figure appears to represent the amount the Army have included in their Estimate for 1865–6; what they may have received from the Colonies and not charged against their Army expenditure, it is impossible for us to tell; it has not come before us.

207. *Chairman.*] It has neither come in the shape of aid to the credit of the vote, nor in the shape of a payment to the credit of the Exchequer?—Some of the contributions have come to the Exchequer.

208. Those which have not come to the credit of the Exchequer have not come in aid of the vote?—No.

209. They have not been accounted for at all?—There are contributions from Malta, Ceylon, the Mauritius, Natal, the Cape of Good Hope, and Hong Kong.

210. Those have gone to the credit of the Exchequer?—Yes; but what other contributions have been received, and out of those contributions, what payment have been made have not come before the auditors.

211. That is to say, in the Colony itself moneys have been received from the Colonies, and have been paid over for Army purposes, but those payments have not been recorded in the War Office books?—Quite so.

212. Mr. *Hankey.*] You can only say that it may have been so?—Yes, so far as I know.

213. *Chairman* (to Mr. *Brown*).] You say as a matter of fact, that they have not been recorded in the War Office books?—Yes.

214. Was that the result of any deliberate decision on the part of the War Office?—I am not aware that there has been any correspondence or general decision on the subject; I forget now what was the result of the discussion that took place about these Colonial payments. There was a joint committee of the Colonial Office and the War Office to consider what was to be done, and they came to a decision upon the subject, but I forget now what it was; it was some years ago.

215. I suppose if the Committee thought it necessary, you could explain the matter by next Wednesday more in detail?—Yes; I could get the whole of the correspondence, certainly.

216. And you could tell us from some record or other, how much in each year has been so paid for military purposes and not accounted for?—Yes.

217. (To Mr. *Vine.*) Then going to paragraph 9 of your report, you object that the tolls of the Hythe Canal have been paid into the Exchequer in nett instead of gross?—Yes; I will read the War Office reply to the objection of the Treasury:—"This question was brought under the notice of the Lords of the Treasury in 1860; and expenses like these in dispute were allowed by their Lordships, in the letter dated 28th December 1860, to be charged against the revenue arising from the military canal at Hythe, with which the road to Winchelsea is connected. This decision, therefore, has governed the record of all subsequent disbursements for this service, but all future charges will be raised against the provision made by Parliament for the repair of War Office property."

218. Then this is a last objection?—Yes.

219. In the next paragraph you stated that certain Colonial Governments have been relieved from claims which had been raised against them; does that refer to a receivable order which had been cancelled?—It does.

220. And your remarks upon the similar entry in the Navy store accounts will apply to this?—They will.

221. (To Mr. *Brown.*) Have you any remark to make upon this?—None whatever.

222. (To Mr. *Vine.*) Is it your opinion that any further and more detailed audit of the Army store accounts is practicable?—This is hardly a similar case to that which we were referring to just now. These are stores which have been issued to these Colonial Governments, upon which it has been decided that no claim shall be made by the War Office; therefore the stores have been made a present to the Colonial Governments.

223. In the store accounts it would appear that certain stores have been issued to the Colonial Governments?—Yes.

224. And a charge has been raised in the books of the War Office against the Colonial Government for those stores?—Yes.

225. If the charge had not been raised in the books of the War Office, you would have known nothing about it?—No.

226. But because it has been raised and remitted, you do know something about it?—Yes.

227. Are you satisfied with that as a perfect system?—Certainly not; the system is not perfect unless you provide for the examination and audit of all store accounts.

228. Then it comes back to the question I asked you just now; could the Audit Office undertake the examination and audit of all store accounts?—It could be done.

229. Mr. *Algernon Egerton.*] You would require an increased staff, I suppose?—We should require an immense increase of the staff.

230. *Chairman.*] If you cannot audit the store accounts, how can you with any advantage raise questions of this kind?—These appear in the cash form; it appears in the accounts as the cash value of those stores.

231. Mr. *Hankey.*] As if they had received them?—They have issued to those Colonial Governments a certain amount of stores, valued at so much; then they raise a debit against those Colonial Governments for so much.

232. Without intending to claim it?—I do not know that.

233. Mr. *Hunt.*] I suppose at the time the entries were made, the amounts were intended to be claimed, but subsequent explanations induced the War Office to remit them?—Yes.

234. *Chairman.*] You only know anything about these issues from the fact of their having been intended to be claimed, and then remitted?—They

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—They only come before me when they appear as cash. (Mr. *Brown.*) The explanation we give is, I think, very satisfactory. You will find it in the printed letter from the War Office: "The charges on account of ammunition" (that is the store with respect to which exception is taken) "were withdrawn in these cases, in consequence of the circumstances connected with the supply coming within the provisions of the regulations under which arms and ammunition are supplied to Colonial Governments, viz., upon the same terms as those issued for the use of the local militia and volunteers."

235. Mr. *Hunt.*] Then, with regard to that, do you say that the debit ought never to have been raised against the Colonial Governments?—Yes, certainly; because, under the regulations, we were authorised to provide them with ammunition and the loan of arms.

236. Mr. *Hankey.*] Free of charge?—Free of charge.

237. Then why did you raise the charge at all?—Because it must represent something. The supply was made to the Colony, and of course the supply comes in our books as a supply to the Colony; but we are not authorised to charge it against the Colony.

238. You would not have raised a similar charge against a regiment here, would you?—No.

239. I mean, supposing the ammunition had been used by a regiment here?—No; it was a wrong charge against the Colony. We have a regulation of Sir George Lewis's time, in 1862, to this effect: "Sir George Lewis having consulted the Secretary of State for the Colonies on the subject, it has been agreed to adopt a series of rules and conditions of which the copies are hereunto annexed." Therefore we were doing everything according to regulation.

240. *Chairman* (to Mr. *Vine*).] My question is this: the Audit Office can know nothing of the regulations applying to any gratuitous issue; all they can know is in cases where the War Office make a mistake; that is to say, raise a claim and then abandon it?—Yes.

241. If that is so, the value of the Audit Office check is very small in the matter, is not it?—Certainly; we confess that it is.

242. And the object of entering it in the report is almost nothing, is not it?—Yes. (Mr. *Brown.*) The reason of our making the charge was on account of insufficient information from the station. Had we known the real facts, we should not have raised the charge.

243. Mr. *Hankey.*] It was an error?—It was owing to a want of information.

244. Mr. *Hunt.*] Supposing that there had been no such regulations laid down, and supposing that you had gratuitously made a present to a Colony of a certain quantity of ammunition, is there any audit which checks you in disposing of that ammunition?—I had a case in point this very morning before I came to this Committee. The Secretary of State made a present of 400 *l.* worth of stores to a Colony; it came to me to note, and I told the Secretary of State that he had no power to make that present of stores without the consent of the Treasury. I said at once that I should object to any present being made of any property without the Treasury consent.

245. Supposing you had not made that objection, and the present had gone on, and no Treasury consent been obtained, how would it ever have appeared in any account made under the authority of Parliament, that that present had been so made?—Before that account could be relieved of those stores, and so much struck off, it is the duty of the chief auditor in our branch to bring it immediately to public notice, and to say that the Secretary of State has no power himself to make a present of Government stores without getting the approval of the Treasury.

246. Supposing that officer had never made that remonstrance, or having made that remonstrance, the Secretary of State had disregarded it, would the transaction ever have come before the notice of the Public Accounts Committee, the Audit Office, the Treasury, or anybody outside the War Office?—We having raised the objection, if it is overruled by our superior master, we have no further power of bringing it to light; the responsibility must rest with the Secretary of State.

247. Then the Secretary of State has the absolute power of making such a present?—He can assume the power.

248. Mr. *Hankey.*] The Secretary of State and the Treasury can give away any amount of public stores they like?—I imagine if the Treasury give us the power, we are satisfied with having got the acquiescence of the chief financial department of the Crown, and the responsibility of it must rest with that department.

249. *Chairman* (to Mr. *Vine*).] It comes to this; although there is a complete audit of cash, there is no external audit of stores?—Yes. (Mr. *Brown.*) I quite agree in that; there is no audit of stores external to the department itself. There is, in fact, only a partial audit; for stores are money in another shape.

250. (To Mr. *Vine.*) Coming to item 11, you object that "sums amounting to 24 *l.* 15 *s.* received for law costs during the period of this account, have been carried to the credit of the vote, instead of being paid into the Exchequer"?—The position we take up is this: In framing their estimates for law costs, a department cannot contemplate gaining an action at law, and thereby getting a sum paid to them. We maintain that if a department gains an action at law, and gets costs, these costs really belong to the Exchequer; that they are an Exchequer receipt, and that the Estimates ought to provide for the actual law charges of the department.

251. Then you think that the Estimates generally of a public department, so far as they relate to law, ought to provide for costs which have been recovered from the other side?—Yes.

252. They ought to be sufficient to include costs of proceedings which have been recovered from the other side?—Yes; I think the sum received for costs ought to be paid into the Exchequer; the expenditure might have been incurred two or three years ago: in that case, I do not see why a sum recovered should go to supplement the vote of the year.

253. You think that in estimating for the law expenditure, the department ought to include in its Estimates of probable costs, all its costs, whether they will be recovered from the other side or not?—Yes.

254. Is that the practice in the other departments?—It is not the practice in the Treasury.

255. You think it ought to be laid down as a general rule?—I think it ought to be; otherwise a vote may be supplemented to a very large extent in some years.

256. (To Mr. *Brown.*) What have you to say to that?—It is perfectly indifferent to us whatever,

ever, the Treasury order we shall be happy to follow; I do not think it is a matter of any moment.

257. (To Mr. *Vine*.) Is it one of the questions in connection with extra receipt which the Treasury have under consideration?—Yes.

258. As to section 12, that is also one of the extra receipt questions?—With regard to No. 12, the estimate for the next year has been altered.

259. Mr. *Hunt*.] It is a continual fight with every department, is not it, whether they shall place those receipts to the credit of the vote, or whether they shall be paid into the Exchequer; it is a standing contention?—It is.

260. *Chairman*.] You have already remarked upon the 13th section, I think?—The Ceylon Colonial Government commenced paying an increased contribution from the 1st of January, and the War Office did not take upon their estimates the different services till the 1st of April. There was, therefore, a period from the 1st of January to the 31st of March which was not provided for in the Army Estimate, but for which the War Office held the money from the Colonial Government, and instead of paying the money into the Exchequer, and coming to Parliament, which perhaps would have been the most correct course, for a supplemental estimate for these allowances from the 1st of January to the 31st of March, they have stopped the money in its transit to the Exchequer.

261. The question stands in this way: up to the 1st of January, payments on behalf of the Colony were not accounted for at all?—They were not.

262. During the first quarter of the year 1865 they were paid over in gross, and the War Office appear to have thought that for the quarter they might follow, with respect to them, the old practice?—Yes.

263. And since the 1st of April the matter has been set right?—Yes; the gross amount has been paid into the Exchequer as an extra receipt, and appears as a receipt in the regular way. (Mr. *Brown*.) We did it with the Treasury consent.

264. Paragraph 14 we have already discussed?—Yes.

265. Paragraph 15 relates to the question of checking stores?—Yes; but it has reference very largely to the Estimates.

266. Will you state more precisely, then, what the point is you wish to raise?—The point is, that in the Army Estimates stores are provided for under a great many votes. Sometimes on the purchase of stores the vote is charged direct; sometimes the "Store Vote 13," for miscellaneous stores, is charged with a purchase, and the other votes or departments are charged with the amount upon issue-notes. As long as two systems are at work, it is impossible for the Audit Office to have any check upon the appropriation of stores.

267. There is this difference between the Army and Navy practice as to stores—the Navy practice is to take the vote for purchase irrespective of the detailed application; the Army practice is to take the vote in part for the purchase and in part for the application?—Yes; but the Navy has only one vote for stores, and all the other votes which require those stores are debited with the amount upon a quarterly declaration. That there must be something faulty in the Army Estimates must be admitted, I think: we have constant difficulties about checking with regard to the Army, but such a question has hardly ever been raised in the case of the Navy.

268. Do you think it would be better that the store practice of the Navy, so far as the Estimates go, should be applied to the Army?—Certainly.

269. (To Mr. *Brown*.) What have you to say upon this point?—I am not connected with the preparation of the Army Estimates, but this is an annual difficulty, and I have annually brought it to Captain Galton's attention; he is the person who does prepare the Estimate; as far as we can judge, I should wish to adopt the Navy system, but he will not approve of that proposal; I have annually proposed to this Committee that Captain Galton had better come himself, and explain his views to the Committee.

270. *Chairman* (to Mr. *Hanby*).] Do you not find a very great difficulty in recording the stores under the present system, nearly as much as Mr. Vine finds in checking them?—We have some difficulty, because we hardly know where they may be actually provided for; there are so many stores of a like character.

271. You would prefer that all stores of a like character should be voted under one vote, according to the Navy practice?—Yes; that would be my feeling. (Mr. *Brown*.) Captain Galton has a decided objection to that.

272. *Chairman* (to Mr. *Brown*).] How are the Estimates prepared in the War Office?—They are prepared nominally in the account branch, but actually they are prepared by Captain Galton.

273. By the Assistant Under Secretary of State?—Yes.

274. Are you not responsible for the preparation of the Estimates to the Secretary of State?—In no way whatever.

275. Going now to paragraph 16, that, I think, is another of the extra receipt questions, is not it?—Yes, it is.

276. And that is under consideration still by the Treasury, with the War Office and the Admiralty?—It is.

Wednesday, 8th May 1867.

MEMBERS PRESENT:

Mr. Childers.	Mr. Howes.
Mr. Algernon Egerton.	Mr. Hunt.
Mr. Hankey.	Mr. Pollard-Urquhart.

HUGH C. E. CHILDERS, Esq., IN THE CHAIR.

CHARLES VINE, Esq., and HENRY WILLIAM ROUTLEDGE WALKER, Esq., called in; and further Examined.

C. Vine, Esq.; H. W. R. Walker, Esq.

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277. *Chairman* (to Mr. *Walker*).] YOU were to produce the account rendered by the government of Victoria, on which a repayment was made to them of some expenses in connexion with the ship "Victoria"?—Yes; on which the repayment of 15,165 *l.* was made.

278. Do you produce the account?—Yes (*handing in the same*).

279. The account is in the form of an account current, giving on the one side the particulars of the expenditure divided between salaries, provisions, repairs, pilotage, and stores of different classes, and on the other side the cash payments by the military authorities in New Zealand, with a balance brought out against the Imperial Government?—Yes, quite so.

280. Amounting to 15,165 *l.*?—Yes.

281. You stated, I think, that for the items on the creditor side, vouchers had been produced to the office in Somerset House?—Certain detailed statements explanatory of the complements of the ship, and also of the basis upon which the charges were framed, were produced, with the original account; but inasmuch as that account merely contained the expenditure of 15,000 *l.*, without reproducing the debtor and creditor sides, it was returned. In the course of the transit of that account, the vouchers were not forthcoming, but they were seen in their preliminary stage, and it was stated by the clerk in the Transport Department that he had sufficiently satisfied himself by reference to those vouchers, to warrant the Director of Transports to recommend the repayment of that amount.

Captain DOUGLAS GALTON, C.B., called in; and Examined.

Captain D. Galton, C.B.

282. *Chairman.*] YOU are Assistant Under-Secretary of State for War, I believe?—Yes.

283. You have read the evidence which Mr. Brown gave before the Committee?—Yes, I have read Mr. Brown's evidence.

284. It appears from Mr. Brown's evidence that payments have been made to military officers in the Colonies from Colonial revenues, and that no account of these payments has come in any shape through the Army Accounts?—Yes, that was the system until very recently. The Committee on Colonial and Military Expenditure in 1861 recommended that this system should be altered, and that all payments should come through the Army accounts. Communications were entered into with the Colonial Governments, and the Accountant General has in his hands a statement of what has taken place in the case of each Colony where such payments take place. One was Mauritius, another was Ceylon, another was China, that is to say, Hong Kong, and there were also the Australian Colonies. I think New Zealand was also one. But from the Australian Colonies the troops had almost all been withdrawn in consequence of the New Zealand war; and although a communication was addressed to those Colonies, or at least to the one to which I particularly allude, namely, Melbourne, in 1863, I believe it was not answered till 1866. They sent no reply during that time; I forget whether it was not even earlier that we wrote to them. Therefore, we made no alteration there till this year. This year we have made that alteration. We now pay everything in all the Colonies. I think all money paid in the Colony passes through our books now, or will from this year.

285. Then from the present time it stands in this way; whether a Colony pays a lump sum to meet certain portions of the Imperial expenditure, or pays certain distinct portions of the military expenditure; in either case those moneys pass through the Military Account?—Exactly so. They do so now entirely at the Cape. The Cape Government and the Natal Government also, I think, pay us lump sums, in order to give the troops certain allowances. We pay those allowances, and the money so received is paid into the Exchequer.

286. But what is done in cases where the Colony pays the exact amount of the allowances?—I do not think there is any such case now.

287. You have compounded, in fact, for all the old allowances which the Colonies used to pay?—Exactly; the only exception at the moment is in Australia, and the troops having been withdrawn but recently, that has not been quite settled; I believe they are to pay, in addition to the lump sum, an allowance in a certain event; if they cannot provide quarters for the officers, then they are to give an allowance in lieu of it. The Colony has undertaken either to provide quarters or to give an allowance in lieu, and in that case they would pay the exact allowance that was made; but it would go through our own military accountant.

288. Mr. *Algernon Egerton.*] Which Colony do you refer to?—The Australian Colonies.

289. All of them?—Yes, I think it is the same with all of them.

290. *Chairman.*] Then, in the case of the Mauritius, is the payment now a lump sum?—Yes, we pay all the allowances ourselves.

291-2. And in Ceylon?—Yes.

293. And in Hong Kong?—In Hong Kong also the payment is a lump sum. There is no case now, I think, in which we do not pay all the allowances ourselves, except the one which I mentioned, namely, Australia, and there the arrangement is to come into force.

294. In those cases where payment is by a lump sum, will that lump sum go into the Exchequer?—Yes.

295. You will not distribute it under the different Votes?—No.

296. But in the few cases in Australia where they still pay the exact allowances, will you pay the amount you receive into the Exchequer, or will it go in aid of the Vote?—In the case of Australia it will go in aid of the Vote.

297. Can you tell the Committee why, irrespective of the question of its going in aid of the Vote or not, you postponed for so many years including those receipts in the paymaster's accounts?—We brought the system into operation as soon as we could. We communicated entirely through the Colonial Office in this matter. The Mauritius arrangements have been made, I should think, for four or five years, and the Ceylon arrangement has been under negotiation for some time.

298. That is not quite my point; it came out before the Committee on Colonial Military Expenditure that those sums were paid over to the paymaster or to the commissariat officer; I think it was to the commissariat officer at Melbourne, for instance, that no account of them was rendered to the colonial auditor, because they were supposed to be audited at home, and that no account of them was rendered at home, either to the Audit Office or to the War Office, so that they were not audited in any shape; was that corrected after 1861?—In the case of the Australian Colonies, the troops were all withdrawn; they all went to New Zealand, so that there was scarcely anything to be done.

299. They went in 1863, did they not?—Yes, in 1863 a correspondence was begun.

300. No steps were taken to provide that where the sums came into the Imperial Account, they should come into the commissariat officer's account?—No; until we took the payments entirely, and compounded for them, we made no alteration.

301. So that, as a fact, it has been the case, and perhaps for certain sums may still be so, for some time, that money has been received which has been accounted for by nobody?—Yes, certainly.

302. That, you say, you have now entirely done away with?—Yes, that we have altered.

303. It was stated before us the other day, that the Estimates were prepared in your office, not in the Accountant General's Office?—No, they are prepared in the branch, under the Accountant General. The gentleman charged with the Estimates refers very directly to me when the Estimates are under preparation, but he is a clerk under the Accountant General.

304. Mr. Brown stated, in an answer with reference to another question altogether on the question of stores, "I am not connected with the preparation of the Army Estimates." Captain Galton is "the person who does prepare the Estimates?"—Practically, the clerk who is in charge of the Estimates reports very directly to me during the time that the Estimates are in preparation; but he is under the Accountant General.

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305. Does not the Secretary of State, and do not you as his assistant, look to the Accountant General as the responsible officer for the preparation of the Estimates?—No important question of Estimate would be settled without taking the opinion of the Accountant General upon it.

306. Could you, if there was any mistake in the Estimates, fix the Accountant General with any responsibility for the mistake?—The individual responsiblity would rest with the clerk who prepared the Estimate.

307. But could you fix the Accountant General with responsibility?—I do not contemplate such a case.

308. Was not that a question that was considered some time ago by a joint committee of the Treasury and the War Office?—All the papers always pass through the Accountant General directly.

309. Was not the question of the responsibility for the preparation of the Estimates considered by the late Mr. Arbuthnot?—Yes.

310. With the War Office?—Yes.

311. Was not the conclusion they came to, to fix the Accountant General with the responsibility for the Estimates?—Yes, clearly the preparation of the Estimates was to be placed under the Accountant General; no doubt it was the report of the Treasury committee that the Estimate should be prepared under the Accountant General.

312. The object being to make him distinctly responsible?—Yes.

313. Do you not think that the change which has been made virtually relieves him of that responsibility?—No, it does not relieve his branch of that responsibility, certainly.

314. But it relieves him as the head of the Accounting Department of that responsibility, does it not?—I do not know that it would exactly.

315. (To Mr. *Walker.*) What is the practice in the Admiralty; is the Accountant General responsible to the Board of Admiralty for the Estimates generally?—Entirely.

316. Does he sign them?—No, they are signed by two Lords.

317. Does he sign them before they are presented to the Board in draft?—They are made the subject of discussion at the Estimate Boards, at which he is always present. The amounts of particular Votes are referred to other principal officers from time to time, but he is held generally answerable for the accuracy and the propriety of the Estimates, and he would be held responsible if any inaccuracy were discovered in them.

318. Has that always been the rule?—That has always been the rule as far as my experience in Somerset House is concerned.

319. Mr. *Algernon Egerton* (to Captain *Galton*).] We had some evidence at a recent meeting of the Committee, showing, as it appeared to me, that there is no efficient audit, indeed no audit at all, of military stores; it was stated to us in evidence that, practically, an issue of military stores might take place by the direct order of the Secretary of State for War, and that after that

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there would be no responsibility whatever; can you state whether that is the case or not?—If the Secretary of State ordered an issue of stores it would be made; I do not think there is any independent audit of it.

320. Do you think there ought to be an independent audit of it?—I think all audit should be independent of the Secretary of State.

321. Is there any efficient audit of stores?—There is a very efficient audit of stores, so far as the department itself is concerned, but there is no audit of the acts of the Secretary of State in the matter.

322. *Chairman.*] There is no external audit?—No; I do not think Mr. Vine examines the store accounts in any way.

323. Mr. Vine called our attention to an important case, in which an irregular issue appears to have been made, but he told us that he only knew of it because the receivable order for the cash, which was to meet the expenses of the stores, was subsequently cancelled?—Yes; I think, as I said before, that all audit ought to be independent of the Secretary of State.

324. Has that question ever come formally before the consideration of the Secretary of State?—I think the proposal of having an entirely independent audit, whenever it has come forward, has not met with the approval of the various Secretaries of State.

325. Mr. *Algernon Egerton.*] Your own opinion is that there should be an independent audit?—My own opinion is that there should be an independent audit.

326. Mr. *Hankey.*] Do you mean that there should be an efficient audit by the Audit Board, or by any other independent Board, of all the military stores that are issued from your various departments?—There should be an efficient external audit of all the expenditure of the department, whether in money or material.

327. Do you consider that your present mode of examining or auditing the issue of stores departmentally, is a good and efficient one?—I think it is remarkably good.

328. Mr. *Algernon Egerton.*] Would it be practicable, without an enormous expense, to have the accounts of the issue of all the military stores again examined by the Audit Board?—I should make our Audit Department a department independent of the Secretary of State.

329. Your own Audit Department?—Yes.

330. Still you would have it a departmental audit?—It would have to be what is called a continuous audit. I do not see how you could carry on an audit on such a vast scale, except as a continuous audit from day to day.

331. *Chairman.*] In the same way as the audit of cash is continuous?—Yes, in the same way as the audit of cash; I should not have a double audit, because I should make the Audit Department a branch under the Auditor General.

332. Mr. *Hankey.*] I want to know whether you think it would be advantageous for the public service that there should be, independent of your ordinary departmental audit of the issue of all military stores, another audit in which that should be again examined into by a public Board, such as the Audit Board?—I do not think it is necessary to have a double audit in that way.

333. Mr. *Algernon Egerton.*] But you would have a different mode of reporting; the auditor would report not to the Secretary of State, but to some external authority?—I should have the auditor an independent officer.

334. Mr. *Pollard-Urquhart.*] Is any such audit of the Store Accounts laid before Parliament?—No.

335. Mr. *Hankey.*] Would not an independent audit by the Audit Board of all the stores issued, independent of your ordinary checks with regard to those issues, be making the Audit Board really part of the executive?—No; I do not see how it would have that effect; our own audit department is not an executive department at all; it is entirely distinct.

336. Is not your audit branch an executive department at the present moment; do you not in your own department check and ascertain all the stores, and know that the stores are correctly issued, according to the orders that are given?—The Audit Department is not executive; the officer at the head of the Store Department of course has instructions that stores shall be issued according to fixed rules, and the Audit Department which examines the accounts, calls attention to any departure from these established rules.

337. But you do not propose to have a double audit?—There would be no occasion for it.

338. Mr. *Algernon Egerton.*] The fact is that under the present system, supposing that the Secretary of State was to issue an order contrary to present rules, there would be no external remark possible upon it; the only remark that could be made upon it would be by himself, or his own department in auditing?—Exactly.

339. As I understand you, you think that there should be an opportunity of calling attention to it outside the department?—Yes.

340. *Chairman.*] And you think, further, that a voucher which proves that the stores have been received by the person by whom they are stated to be received, should be subject to the same audit as a voucher of cash is subject to on the part of an officer of the Audit Board, or an external officer continuously auditing in the department?—The difficulty of having an external audit as well as an internal audit, is the enormous amount of machinery you will require for the purpose if you have to do the audit twice over. I think the accounts of every department should be audited by a department external to itself.

341. My question is this; the cash accounts are audited by an officer external to the department, so far as his authority goes, but carrying on his audit inside the department?—The Independent Audit, which is now carried on, is really only an Appropriation Audit to see that the money voted by Parliament is spent under the heads for which it is voted. It does not go into that close detail which I think would be of very great advantage, but still would require a very enormous staff to carry it on even in the auditing of the cash.

342. In the audit of the Cash Account the auditors have the power to go into any detail, but practically they do not do so?—Practically, they do not.

343. Practically, do you think that that system is imperfect?—Practically, I think that there are a great many things which they do not see at present.

344. Practically, at present, for instance, do they see whether the authorities for particular expenditure are strictly in accordance with rule, or have they no power of checking deviations from those rules?—Mr. Vine, I think, perhaps, would answer that question better than I could.

345. I will ask Mr. Vine presently; I put the question to you now?—Without expressing any opinion upon what their powers are, what I mean is, that, practically, I think they do not go into details of audit, which it might be beneficial if they did go into.

346. I put this as a case in point: supposing that certain expenditure would be authorised, according to the fixed rule of the Government, if the Secretary of State chose to order a departure from that rule, and to authorise some expenditure inconsistent with that rule, provided that authority was there, you would not expect that to be questioned by the auditor, would you?—No; the auditor would only question the mode probably in which it was charged, whether it was charged to one account or another.

347. If a Royal Warrant, for instance, authorised a certain amount of salary, and if the Secretary of State chose to order a departure from the Royal Warrant, and to order a larger amount, provided it was paid in due form, the auditor would not detect it?—No, he certainly would not under the audit which the Audit Office now perform.

348. Is that one of the matters in which you think any change should take place?—As I said before, I think all the proceedings of a department should be audited by a department external to itself.

349. To Mr. *Vine.*] I will put the same question to you, is it the case that, if under the established regulation, a certain payment was authorised, and if the Secretary of State took upon himself to order a deviation from that rule, you would not take any notice of that deviation, provided that in other respects the payment was in due form?—We should not.

350. Would you state first, with respect to the ordinary examination of cash accounts, what you do exactly require?—The whole of the examination is clearly laid down in one of the previous reports of the Committee, but I may briefly state that the appropriation examination is founded on a previous detailed examination by the department. We ascertain that the documents which are sent in to us bear evidence of examination and allowance by the proper authorities in the War Office, and that they are carried to the right head of service. If we see reason to question any of the detailed items of expenditure, we call for the subsidiary documents, and make as close an investigation into the matter as we think fit, in order to elucidate any question which may arise upon it.

351. But if they bear evidence upon the face of them of having been duly vouched, and of having been duly allowed, then, subject to any incidental inquiry from time to time, you are satisfied, and look specially to the appropriation account?—We see that every voucher bears upon the face of it evidence of examination and allowance, that the service has been performed, and in the case of purchase of stores, that there is a certificate of delivery, and then we go on to see that the amount is charged to the proper subsidiary head in the ledgers of the department.

352. Supposing that certain payments ought to be made by the terms of an Order in Council, or that certain payments require the authority not only of the Admiralty but of the Treasury, or something less than an Order in Council, if any deviation from those authorities was allowed by the inferior department, the Admiralty, would you in the audit detect that, and remark upon it?—No; our examination is not so detailed as to detect that.

353. So that payments might be made either against the Army Estimates or the Navy Estimates, which, if they had been duly authorised by the War Office and the Admiralty, although they might be at variance with the Orders in Council or the orders of the Treasury, would pass your audit?—They would.

354. And that might be the case to any extent?—Yes, it might.

355. Then going to the question of stores, which is cognate to that, even if you had the same audit of stores that you have now of cash, you could not detect an irregular issue of stores if it had received the sanction of the Secretary of State?—No, the stores would be issued upon competent authority, and we must pass the voucher.

356. It is not your business to ascertain that that competent authority did not require the sanction of somebody still more competent?—No.

357. Mr. *Hankey* (to *Captain Galton*).] What checks exist now with regard to the stock of stores; is there any annual examination or what would answer to stock-taking?—There are periodical stock-takings.

358. Mr. *Hunt.*] Do you call them surveys?—We have both stock-takings and surveys; on a survey the stock is not taken, but the condition of the stores is examined, and some of the stores are counted perhaps, but a stock-taking is when every article in store is counted.

359. Are the periodical stock-takings you speak of, once a year?—No; at certain times. For instance, whenever one store office gives over charge to another, there is a stock-taking; the incoming store officer has to satisfy himself that the stores he has taken in charge are there. The auditor has also power to send down at any time to take stock of the stores. At the manufacturing departments, they take stock once a year, I think.

360. Is there, in your opinion, sufficient check to prevent any fraudulent abstraction of stores from the military departments?—Yes; there are very complete checks in that way.

361. *Chairman.*] In your opinion, the internal check is perfectly good?—The internal check is perfectly good.

362. But what you complain of, and think ought to be remedied, is, that the public has not an external check upon the acts of the Secretary of State?—Yes, I think that that is a broad principle, which should govern all departments; it is not at all a complaint which I make, but I think it is a broad principle which should govern all departments.

363. Passing from stock to cash, you think, in the same way, that the public ought to have an additional audit with respect to the authority upon which money is paid?—Exactly.

364. So that you do not think that there is any weak point in the audit either of the Store Account or of the Cash Account, so far as the vouchers for the due issue either of money or stores go, but only as to the authority upon which that issue has taken effect?—Yes, exactly; I think the internal checks are sufficient.

365. Would there be any difficulty with respect to cash, if the chief auditor in the War Office was bound to certify on the face of the accounts that they were in accordance with the superior order?—That might be a check.

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366. At present the chief auditor signs the Army Accounts, does he not?—No, the Accountant General signs the Army Accounts.

367. At present the Accountant General in signing the Army Accounts for transmission to the Audit Office, does not certify that they are in accordance with authority superior to the War Office?—No.

368. And you think that it would be an improvement if he were bound to certify that?—I think it might be desirable.

369. That would fix an officer with distinct responsibility?—Yes.

370. With the responsibility of seeing that they were all in accordance with superior authority?—I am not sure that I quite understand your meaning in that.

371. Supposing that it is necessary for a particular payment that the Treasury should have sanctioned it, at present if the Secretary of State sanctions it without getting the authority of the Treasury, the chief auditor and the Accountant General can say nothing to it?—No.

372. And the Accountant General would admit it into his accounts without remark?—Yes.

373. You think it would be desirable that he should be compelled to take notice of such a departure from rule?—Yes, I quite agree that such a departure from rule should be made the subject of notice; but it is for consideration how far an officer subordinate to the Secretary of State could be expected to call attention to his defaults.

374. Mr. *Hunt.*] Do you mean that as a substitute for the external audit, or in addition to the external audit?—I look upon that rather as an arrangement while there is not an external audit; if there was an external audit, it would be the duty of the auditor.

375. *Chairman.*] If there was a complete external audit, every voucher would have to be examined in that respect, that is, as to authority?—Yes; the vouchers would not be admitted by the auditors unless there was the authority.

376. Do you believe that many cases arise where there is an absence of the superior authority?—Cases do arise.

377. It would strengthen the hands of those who object to irregularities, if such a requirement existed, would it not?—I think it would, if it could be made to work.

378. (To Mr. *Walker.*) How is it in the Admiralty; is the Accountant General of the Navy responsible for requiring a superior authority, if he receives authority from the Lords of the Admiralty?—Most certainly.

379. He would make an objection, if that superior authority was not forthcoming?—Yes.

380. But if he was overruled by the Board of Admiralty, would he take any further notice of it?—No, it does not lie in his power to do so.

381. It therefore would not appear, upon the face of the accounts he rendered to the Audit Office, that there were included in them payments which had not received that superior authority?—No.

382. Would it not be, in your opinion, advisable that that should appear?—Unquestionably, I think it would, and, so far as my own experience in the Admiralty Department goes, there has never been any indisposition, either on the part of the Accountant General or of their Lordships, to obtaining such higher authority where it has been proved to be necessary.

383. Mr. *Hunt.*] That is not quite the point; the question is this, supposing that what the Chairman calls superior authority is required for any payment, and that the matter has been dealt with without such a superior authority, would the person conducting the departmental audit object to it on that ground?—He could not object as things are at present.

384. Would he take exception to it, or would it call forth any remark from him as to the irregularity?—Not necessarily as between him and the public.

385. Would it do so as between him and the head of his department?—It would in the first instance; if he saw anything irregular he would represent the case to the Board of Admiralty.

386. Take this case, which may occur, and has occurred; suppose an application is made, say to the Treasury, to sanction certain expenditure, and that before an answer is obtained from the Treasury upon the matter, the expenditure has been sanctioned in the department?—Cases of that kind have occurred, but they have been of a very exceptional nature, and only when the circumstances have been of such a character that really the authority of the Treasury was obtained *pro formâ* rather than as arising out of a question of principle.

387. I say cases of that kind may occur?—Yes.

388. In that case it is clear, that if the Treasury sanction is required, and the matter is dealt with before it has been obtained, that would be an irregularity?—Certainly.

389. In the case of the departmental audit, would the auditor take notice of that?—I think, if the auditor found the Treasury sanction retrospectively applying to it, he would not raise an objection. I refer to the officer conducting the Appropriation Audit.

390. I refer to the departmental audit; would the auditor in that case take notice of that which you admit to be an irregularity, namely, that the expenditure had been sanctioned by the department before the Treasury had given their sanction to it?—Yes, the Accountant General of the Navy would do so as the finance officer of the Admiralty.

391. How would the observation arise upon it?—Supposing there were an invoice for anything relating to expenditure on new works approved by the Board, but yet in excess of the Vote taken for that service, or involving work not contemplated by Parliament in the Estimates, he would demur to that payment previously to the sanction of the Treasury being obtained. It might, however, occur that the necessity of the thing was so clear to the executive department that they might require him to make the payment, with the assurance that the sanction of the Treasury would be subsequently obtained.

392. Supposing the department were satisfied that the Treasury sanction would be obtained, and incurred expenditure previous to getting the Treasury sanction, and then the Treasury sanction was refused, what would happen in that case?—The circumstances of the case would appear upon the account to be laid before Parliament. The expenditure having been made, it is quite clear that it cannot be withdrawn; I suppose it to be a payment to a person outside the department; of course if it were a salary, the case would be different.

393. You take a case where the Vote is not sufficient to cover the expenditure, and where the expenditure has to be made good by a saving upon

upon another Vote?—No, I take the case of an unauthorised expenditure, but that the amount of the Vote would not be exceeded.

394. Within the limit of the Vote?—Yes, within the limit of the Vote; but still departmentally not justifiable without the previous sanction of the Treasury; supposing such an expenditure were incurred in anticipation of the Treasury sanction, and that the Treasury sanction was subsequently withheld, the expenditure would be a fact which you could not recall, but the circumstances of the case would appear upon the Naval Account presented to the House of Commons.

395. But how would it be dealt with in the departmental audit?—The departmental auditor would rest satisfied with the authority of the Lords of the Admiralty.

396. You would pass it as being sanctioned by the Board?—Yes.

397. Would you call the attention of the Audit Office to it, when they were making their appropriation audit?—That would appear upon the face of the vouchers, which form a component part of the check of the Audit Office. Cases of the kind you refer to are excessively rare; I do not recollect a case where the sanction of the Treasury has been permanently withheld *ex post facto* from an expenditure.

398. *Chairman.*] I will put another case; supposing it is necessary that the salary of a particular officer should be authorised by Order in Council, and supposing the Lords of the Admiralty, without the sanction of an Order in Council, increased that salary, and that after an objection on the part of the Accountant General of the Navy that salary was paid, would that appear on the face of any account so as to be known to the auditor conducting the appropriation audit?—No.

399. Therefore the only check upon that, without a great increase in the work of the Audit Office, would be the certificate of the Accountant-General, that all those payments were in accordance with an Order in Council or with Treasury sanction, as the case may be?—Precisely; that, I think, would be a very beneficial regulation.

400. Mr. *Hunt.*] That is a case which has occurred?—Undoubtedly, but it is less the case now than it was in former years, because the Board of Admiralty are now very particular in obtaining the Treasury sanction, or an Order in Council, for such payments.

401. *Chairman.*] Have you had a correspondence on the subject of giving such a certificate?—None whatever. We have had a correspondence with the Audit Board respecting the propriety of establishing a detailed audit like that which Captain Galton referred to of those vouchers, but it appeared to the Lords of the Admiralty that it involved a reduplication of our Audit Department, and that the organisation of a great public office might be held sufficient for that purpose.

402. You have had no distinct correspondence upon the subject of the Accountant General's certifying on the face of the accounts that they were according to superior authority?—None whatever.

403. Upon the subject of the naval stores, will you tell the Committee what is the practice as to the great stores in the dockyards, first as to the stock-taking and the survey, and secondly as to the checks upon the issue of stores?—In accordance with the principles established by the Board of Admiralty, consequent upon the memorandum which you drew up upon your visitation of the dockyards, the practice was established of an annual stock-taking for purposes of valuation, and that has been carried out now for the third year; independently of which there are periodical stock-takings, arising chiefly out of the necessity for replenishing the various stocks of stores. By that means, and also by triennial surveys and surveys held upon new appointments, to a very large degree the general stock in the yards, and the record of it in the ledgers, may be considered as practically identical. But it is in contemplation in reference to the proposed instruction about to be issued to the dockyards, that there should be what is termed a continuous taking of stock, so that over an average of two or three years every item of stores will undergo a complete personal investigation and comparison with the store ledgers.

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404. Coming first to the present annual stock-taking, will you state to the Committee what examination takes place?—The annual stock-taking at present arises from two sources; from ledger remains, which have undergone throughout the year, day by day, a complete and independent check, and when the stores recorded in the ledgers are identical with what they appear in the rate book to be, they are valued upon the face of the ledger; and where not so classified, from personal inspection.

405. Are the quantities checked?—Yes, the quantities are checked every day in the ledgers.

406. Are the quantities in store checked at the end of every year?—Not at the end of every year; in the first place, it would involve an enormous and most costly process, and it would also be very disorganising in the dockyards. The checks you established upon the store ledgers are so complete and so independent, that it was found to be not essential to subject the dockyards to so costly a process.

407. How often does the actual stock-taking of the quantities occur?—The surveys are considered to be triennial, but up to this time they have not taken place every three years. In those surveys the stock in the dockyards is supposed to be taken every three years, but that has not been rigidly adhered to, nor, from my own personal experience, do I think it advisable that it should be.

408. What is the cost of those stock-takings?—Some thousands of pounds.

409. In what dockyards has the stock been taken since this new regulation came into effect?—There is a stock-taking now occurring at Deptford; there has been one at Chatham.

410. And at Portsmouth?—Yes.

411. And also at Woolwich?—Yes.

412. Has there been a stock-taking at Devonport and Pembroke?—No, not since these instructions were issued.

413. Do you know when was the last complete stock-taking at Devonport and Pembroke?—No. I could not answer that from recollection.

414. Mr. *Hunt.*] The last complete stock-taking at Devonport was in 1860; were you aware of that?—No, I was not aware of that.

415. *Chairman.*] Do you know what the cost would be of a stock-taking at Pembroke and Devonport?—Between 2,000 *l.* and 3,000 *l.*; and it would extend over several months.

416. How often ought a general stock-taking to take place, in your opinion?—I would never have a general stock-taking at all. Such a stock-

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taking extends over four or five months, during which time there are multitudinous issues and receipts, of all of which you have to take a minute record in order to work back to your balance.

417. Would you have stock taken continuously of different portions of the stores at the dockyards?—Yes.

418. You would not have a general stock-taking of the whole at once, but you would take the iron at one time, the timber at another, the cordage and hemp at another, and so on?—Yes.

419. That could be done, in your opinion, consistently with the regulations of 1864, requiring a complete valuation of stock account to be taken every year?—Certainly.

420. Mr. *Pollard-Urquhart.*] How is the stock of stores exhibited by the general stock-taking found to coincide with the stock which there ought to be according to the store accounts; is it satisfactory?—Yes, it corresponds well, but not exactly; it is almost impossible that it should coincide exactly when you consider the variety and the immensity of the transactions.

421. *Chairman.*] Do you remember how many items there are in the store accounts of the Navy?—I think in the store ledgers there are 9,000 heads.

422. Mr. *Pollard-Urquhart.*] The differences were such as would arise from unavoidable errors?—Yes. It clearly pointed to this result, that they were clerical errors, and not errors arising from a want of integrity.

423. *Chairman.*] Going from stock-taking to the check upon issue, will you state what is the present check?—The checks which were established under the instructions arising out of your memorandum were as follows: You held it as a principle that the officer who received the stores should not have the fact of their receipt checked within his own department, but that it should be checked in a department independent of him locally, and independent of his principal officer in town; and hence an agent in the accountant's department, who is the officer representing the Accountant General of the Navy, independently checks the receipt of stores, both as to quantity and as to quality, and as to conformity or otherwise with agreement. When those are received, the sections upon which they are entered by the storekeeper are forwarded to the Accountant General of the Navy, and those upon which they are entered by the inspector of stores or the accountant, are forwarded to the Storekeeper General of the Navy. The deliveries are then entered in the store or timber ledger, as the case may be, in the storekeeper's office, and the original documents are forwarded with those ledgers to the accountant's office, who checks the entries and satisfies himself that that which has been authoritatively received has been put to the charge of the storekeeper.

424. That is as to receipt, now as to issue?—As to issue in the same way, no stores are issued from the charge of the storekeeper, except under an approved requisition of the officer of the yard to whom the stores apply, and who is about to use them. Those again are entered upon an issue note; the fact of that receipt is validated by the party who receives them; they are then rated and valued, and forwarded to the accountant's office, and the accountant satisfies himself that the quantity has gone from the storekeeper, and gone off the ledger, and that the value is in accordance with the rate book, both for stores and for timber.

425. So that there is a continuous audit by the accountants of the yard, under the general directions of the Accountant General with respect to both the receipts and issues of the storekeeper?—Precisely.

426. He satisfies himself in the audit that the receipts are duly vouched as to the contractors, and that the issues are duly vouched as to the manufacturing department, or whatever the department may be which receives the stores?—Yes.

427. Is there, in your opinion, any improvement of which the present system is capable?—None. I cannot conceive of any audit in a central office extrinsic to the department being of the slightest use in respect of the receipt and issue of stores.

428. Is there any point with respect to authority in which the check of any external department would, in your opinion, be desirable?—I think not. I think the provisions which you laid down, and which were approved and embodied in these instructions, fully provide for an independent audit in every sense, and as far as can be done by any provisions which can be laid down, afford a thorough barrier against collusion.

429. Take for example one case; supposing a French ship came into Plymouth, and wanted a certain quantity of rope, what check is there that that rope would not be issued without any payment for it?—I cannot conceive of a demand of that kind being complied with in the yard, except by passing through the prescribed authorities.

430. But what check is there that such a supply being against the Government regulations, those regulations would not be departed from, by the authority of the Admiralty, without the superior authority which would be necessary to sustain it?—I do not think it is possible to frame a machinery to meet a contingency of that kind.

431. Mr. *Hunt.*] In what way would such a demand come, in the case of a foreign ship?—It would come to the superintendent of the yard, and he would refer the question to the Storekeeper General of the Navy; if he were satisfied that it lay within the province of his department to give the instructions, he would authorise the instructions, or, if necessary, ask their Lordships' approval. That being obtained, it would be given to the superintendent of the yard, who would deal with it in just the same way as with an ordinary issue to a ship, and it would pass through precisely the same independent check.

432. *Chairman.*] If the Storekeeper General took upon himself to authorise such an issue, who would check it?—No one.

433. Would the Accountant General have any knowledge of it?—Only through his agent, the accountant in the yard.

434. Would he take any notice of it when he saw it?—If it was palpably contrary to the regulations they would represent it, but the orders are so very stringent that I cannot conceive of such an irregularity taking place.

435. Practically, is it in the power of the superintendent of a dockyard, if a foreign ship comes in wanting stores, to issue those stores without getting money consideration for them?—No, I do not believe it is.

436. What check is there which would prevent his giving that authority?—There is the accountant; it would be the duty of the accountant to see that the value of those stores was entered in what we term our quarterly account of claims upon

upon other departments and governments; and if it were not so entered, it would be his duty to bring it under the notice of the Accountant General.

437. And no order from the superintendent of the yard would override that?—None whatever.

438. It would therefore come up to the Accountant General, as cash due from a foreign government, which he would have to collect?—Quite so.

439. And he would be bound to obtain that cash, or to obtain the authority of the Board of Admiralty for dispensing with it?—Quite so.

440. If the Board of Admiralty chose to dispense with it, there is no external authority to prevent their doing so?—No.

441.—The check is complete up to the head of the department, but not further?—Precisely.

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Mr. *Vine.*] With the permission of the Committee, I will read one extract from one of the reports of the Committee of Inquiry with respect to the Estimates; it is a remark of the late Accountant General, who states, "The annual Estimates are the beginning, as the account laid before Parliament is the conclusion, of the whole annual military financial operations, the record of the books being the intermediate and gradual conversion of the supposititious and speculative into the actual *bonâ fide* expenditure, and the three should form a harmonious whole under one superintendent."

Wednesday, 29th May 1867.

MEMBERS PRESENT:

Mr. Childers.	Mr. Laing.
Mr. Hankey.	Mr. Pollard-Urquhart.
Mr. Hunt.	

HUGH C. E. CHILDERS, Esq., IN THE CHAIR.

CHARLES VINE, Esq., and MORGAN HUGH FOSTER, Esq., C.B., called in; and Examined.

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442. Mr. *Hunt* (to Mr. *Vine*).] You and Mr. Anderson were appointed, under a Treasury Minute, a Committee to inquire into the matters referred to in the 23rd section of the Exchequer and Audit Act of last Session?—Yes.

443. (To Mr. *Foster*.) And when Mr. Anderson was appointed to the Audit Office, you were appointed by a Treasury Minute to succeed him on that Committee?—Yes.

444. (To Mr. *Vine*.) The Minute which has been referred to us states that "the Members of this Committee have informed Mr. Hunt that they have given their attention, so far as their other official duties permitted, to the subjects referred to them in the Minute in question; but that the duty imposed upon them has been greater, and that the time which they could devote to it has been less, than they expected, and that they have not therefore made sufficient progress in their inquiry to justify them in suggesting changes in the mode of preparing the Miscellaneous Estimates for Civil Services which in their opinion would be satisfactory to the Treasury or to Parliament;" is it not the case that it was found utterly impossible, before the Civil Service Estimates for the present year were prepared, to devise the alterations that were necessary?—Quite impracticable.

445. Since Mr. Foster has joined you as your colleague upon the Committee, you have been going through certain parts of the Civil Service Estimates, with a view to suggest alterations, have you not?—We have.

446. Do you hand in to the Committee some specimens of suggested alterations in certain of the Votes, as specimens of the changes which you suggest?—Yes; perhaps you would allow me to read an extract from my evidence given before the Committee on Public Accounts of the 12th of May 1862. It is question 458:—"For the better making of a comparison, what account would you propose to be given in the Estimates?—I should propose to divide the Estimates into three parts; the first part showing the Votes as recorded in the Appropriation Act; the second part, the heads under which Parliament chose to have those Votes accounted for; and the third part, an Appendix, which might contain any information which is at present given, or more if it was required." These forms are merely carrying out the suggestion which I made in 1862.—(*The same was handed in*, vide *Appendix*.)

447. Will you take Class 1, Vote 1, and explain the reasons why you suggest this particular form. You take the Vote, as now, in one sum?—Yes, for 41,945 *l*.

448. That is as it now stands?—Yes; just as it now stands.

449. That sum is taken from the Estimate of this year, is it not?—It is; and we have proposed certain prominent heads under which we thought it would be desirable to frame the account, so that when the account is made up a comparison could be readily made between the Estimate and the account, which it is almost impossible to do now, with the great majority of Estimates. The sub-heads which are shown upon the Estimates will correspond with the heads shown in the account.

450. That you give in the Appendix?—In the Appendix we propose to give such details as may be necessary to work up to the total shown under each of those sub-heads.

451. The account is not to be worked up according to the heading in the Appendix, but only to be worked up according to the subdivisions which appear immediately under the main Vote?—Quite so; if you will turn to Vote 2, "Public Buildings," and refer to the old Estimate on the first page on the yellow paper, any person looking at the Estimate would suppose that an account would be rendered of the 42,981 *l*., but, in the account of the Commissioners for Works, there are no less than four accounts of this portion of the Estimate, and a comparison between the Estimate and the account is most difficult.

452. Mr. *Pollard-Urquhart*.] You refer to the Estimate for Public Buildings, on which paper?—That upon the blue paper is the proposed form; that on the yellow paper is the old form of Estimate.

453. Mr. *Hankey*.] What is Vote 1?—Vote 1 is for Royal Palaces; the blue paper is the proposed form, and the yellow paper is the old form; the next one we have shown is Vote 2 of the same class; upon the blue paper is the proposed form, and upon the yellow paper the old form; the next one is the Vote for the buildings of the Houses of Parliament.

454. *Chairman*.] Then, if I understand rightly, the Vote would be still taken for the entire amount?—Yes, that is the sum which will be shown in the Appropriation Act.

455. But the departments will be required so to arrange their ledgers, that they shall account in the form given in under the heads A, B, C, and D?—Yes, and therefore the appropriation account, which will be rendered at the end of the year,

year, will not be a bald account of one line only, showing the Vote on one side, and the expenditure on the other, but will be subdivided under these sub-heads, which are shown in the Estimate, combining in one account what, in the army and navy, is now rendered to Parliament in two.

456. Then in your report upon the account of the department you would report upon excesses or deficiencies on each of the heads A, B, C, and D?—Yes; but a saving to be surrendered would be the nett saving upon the whole Vote; and a supplemental estimate would be founded upon the deficiency on the whole grant, not upon the minor details.

457. My question was, whether you would not, in your report upon the account, state the account according to the minor heads A, B, C, and D?—Yes, certainly.

458. And the department would be required to explain to Parliament, or the Treasury, or to Parliament through the Treasury, just as the Admiralty or the War Office now do, with respect to army and navy expenditure, the excesses or deficiencies on each of the sub-heads?—I presume so.

459. Such excesses and deficiencies would not, according to your intention, be the subject of a vote of Parliament, as is the case upon the separate army and navy votes, but would only be the subject of explanation?—Yes; each of these votes is a single vote, whereas, in the case of the army, the 27 votes are all shown in the Appropriation Act, as so much granted for army services, subdivided under the different votes.

460. Then do you mean to imply that as the War Office or the Admiralty have to obtain Treasury authority for excesses upon those sub-heads, which authority you have knowledge of in auditing the accounts, so the civil department would have to have authority for excesses upon its sub-heads?—My own opinion is that that would be desirable; Mr. Foster perhaps would answer that question for the Treasury.

461. Addressing you and Mr. Foster jointly, was that the view of the Committee in dividing those sub-heads?—(Mr. *Foster.*) It was not my view entirely; I think that at the commencement, at all events, such a course might lead to some difficulties. Till the new system is in working order, it would be better not to be too stringent upon that point. This would leave it open for the Treasury or Parliament to insist upon a more detailed appropriation afterwards, and it would prepare the way for it; but at the commencement it might lead to difficulties if an appropriation, according to sub-heads were strictly insisted upon.

462. So that although the departments would keep their ledgers upon the principle of these subdivisions and the appropriation account, and the report upon the appropriation account would show the vote subdivided in that way, yet it is not part of your proposal that the army and navy rule to get the Treasury authority for excesses, should apply to the Civil Estimates?—Not at present; that is my impression at the first view of it.

463. (To Mr. *Vine.*) Is it your intention, in proposing this plan, that each vote should have one department charged with the duty of preparing the appropriation account of it?—Distinctly.

464. So that no vote could have sub-heads, the account of one of which would be prepared by one department, and another by another?—In my opinion, that would not be an appropriation account under the terms of the Act.

465. Take, for instance, the vote for what I think is called "Outfit and Passage Money," or some such words, which is now drawn upon by both the Colonial Office and the Foreign Office; have you, in your new form, divided that vote, so as to give a distinct vote on each of those services?—We have not come to that vote yet; but take, for instance, a vote in the second class of these Civil Services, for the poor-laws, England, Ireland, and Scotland, now combined in one vote; to carry out the Exchequer and Audit Act, it would be necessary in future to take three votes.

466. Then I understand that you bring this paper to the Committee only as an illustration of what you would do in the case of one or two votes?—Yes.

467. You have not yet gone through the whole of the Estimates?—No. I have gone through Class 1 and Class 2, and I can plainly see that they will work upon this plan. Before going any further, I thought it would be very desirable to get the opinion of the Committee whether they approved of the plan or not, because it would be useless to go any further in the way of framing accounts before we know whether the Committee approved of the plan.

468. Then you have not yet come to the point of dealing with the Minute of the 22nd of June 1866, which proposes a new arrangement as to the classification of the Estimates; all that you have dealt with so far, is the division of the individual votes?—The division of individual votes, and taking up those votes to ascertain what alterations will be necessary in next year's Estimates, in order to enable the department charged with the expenditure of each of those votes, to render the proper appropriation account.

469. What you, through the Treasury, wish to have the opinion of this Committee upon is this: whether, when it is settled what shall be individual votes, and how they shall be classified, the subdivision should be arranged according to the principle you suggest?—Yes.

470. But you have not yet touched upon the question of what should be the individual votes, and how they should be classified?—In some instances we certainly have. With regard to the poor law, there is not the slightest doubt that the votes must be separated.

471. Still you have not completed that scheme yet?—No, certainly, we have not completed it. (Mr. *Foster.*) It appeared to us that the first question to be considered was whether the estimates and accounts should not be made to correspond, which they do not at present. The proposal is quite independent of any variation in the shape or classification of the Estimates, beyond their preparation in such a form that the accounts would work up to them.

472. (To Mr. *Vine.*) You propose, in fact, to follow, with respect to the Civil Service Estimates, those principles and those divisions in the Army and Navy Estimates, which are shown in the appropriation accounts?—In the savings and deficiency accounts we propose to combine, in one account, what in the Army and Navy extends over two, and to take away from the department the power of opening as many heads in their ledgers as their bookkeeper may fancy.

473. As it is at present, I think in the case of the Army and Navy accounts, though in certain cases they show the ledger division, the Estimates

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are framed very much in the same manner as the present Civil Estimates?—In the Navy more so than in the Army.

474. Take Vote No. 1, in the Navy; there is always given, I think, as a foot note, the head in the ledger?—Yes.

475. But that is merely a foot note, and does not appear at all on the face of the account?—It does not.

476. Do you propose to apply the same principle then to the Army and Navy accounts which you are beginning with the Civil accounts, and to show on the face of the Estimates the ledger heads?—I do.

477. To go back to the question I asked you before, if any individual item of a subdivision showed in excess, would you conceive that that would come before you in the audit, so as to call upon you to require sanction from the superior authorities?—That would entirely depend upon the instructions of the Treasury as to the detailed audit, whether they required the Controller and Auditor General to report upon the savings and deficiencies of each sub-head.

478. In suggesting this plan of division, had you that in view?—I had, certainly.

479. At the present time, in Vote 1, for instance, of the Navy Estimates, which is the clearest in point, if an excess appears upon one of the ledger heads of the vote, do you call attention to it?—No; the explanations are given by the department, and upon the responsibility of the department.

480. And you do not require, as a voucher to the account, any authority for the excess upon the item?—No; all we trace is, that the expenditure has been carried to the correct head.

481. Do you propose that what you call the appendix to the subdivision should appear with the Estimate itself in its present form?—Yes; it would require a good deal, perhaps, of revising to make it more intelligible than it is now, and to assimilate one Estimate to the other as much as possible.

482. Do you propose that in the Appropriation Act any notice should be taken of the subdivision?—No.

483. You do not propose to incorporate A, B, C, and D, in the Appropriation Act?—No, no more than any of the subdivisions of either the Army or the Navy votes.

484. Mr. *Hankey.*] Referring to this form, into which we are now inquiring, I will take the gross sum of 41,945 *l.* on the first page of the blue paper; is that the mode in which you propose that it should be asked for, or the way in which it is now asked for?—The vote will be taken for the full amount of 41,945 *l.*, but that vote will be accounted for under the four heads, A, B, C, and D.

485. Then, in these two forms the amount is the same in that instance?—The amount is the same; there is not so much difficulty with regard to No. 1 in making a comparison between the account and the Estimate.

486. In No. 2, that is to say, the second division, there is a sum of 120,805 *l.* in the blue paper?—Yes.

487. Turning to the yellow paper, the item of the first vote does not agree, because it is 42,866 *l.* in the one case, and 42,921 *l.* in the other, making a difference of 115 *l.*, which I see is "for the maintenance and repairs of Castle Rushen"; that is omitted in the one and put in the other?—Yes. You will find that the 115 *l.* is separated, and a separate account is to be kept of the Government buildings in the Isle of Man; it is not to be mixed up with the Government works and public buildings. We propose that a separate account shall be kept of that item.

488. Then it is for the purpose of making a better classification?—It is to make a better classification, and also such a classification as shall render it possible to compare the account with the Estimate without trouble, which I defy anybody to do at the present time.

489. *Chairman.*] You wish the ledger division to appear on the face of the Estimate?—Yes.

490. And to take it out of the power of the accounting department to alter the ledger divisions?—Yes; because in the case of the Army and Navy accounts, we get such enormous accounts, with such a mass of details, that it frustrates the object for which they were framed.

491. And you see your way at once to apply that principle to the Army and Navy accounts?—I see no difficulty in doing it; not at once, however, because it could only be done after we have arranged the Civil Service Estimates; but there is no difficulty in doing it then, that I see.

492. Mr. *Hankey.*] I see in the paper I have just been referring to, that the total amount in the various ledgers amounts to 120,804 *l.* 2 *s.* 11 *d.*, and in the proposed form it amounts to 120,805 *l.*?—The vote was taken for 120,805 *l.*, not for the shillings and pence.

493. How would this vote of 120,805 *l.* appear in the Appropriation Act?—Precisely in the same way as it does now, as one sum of 120,805 *l.*

494. What would it be called, "Public buildings?"—"Public buildings," as it is now, and the Appropriation Account which will be rendered to Parliament will contain the expenditure under the heads A, B, C, and D, according to the form I have handed in.

495. And in the account as now rendered on the yellow paper there would be no possibility of our separating those accounts?—The yellow paper is not the account, it is the Estimate in its present form, and it would be very difficult for any person to make a comparison between the Estimate, in its present form, and the account as rendered.

496. *Chairman.*] You would have to apply some arbitrary principle in the case of each account?—You could not do it without first abstracting the Estimate, and picking out some heads here and there.

497. Mr. *Pollard-Urquhart.*] The Appropriation Account will be divided into the A, B, C, and D heads?—It will.

498. Mr. *Hunt.*] You have not gone into the question of the re-classification of the Estimates, according to the suggestion of the Treasury Minute of last year?—No, we have not.

499. Do you think that this subdivision you have now made will at all facilitate that re-classification, should it be made?—It will very much facilitate it by breaking up the votes, where an appropriation account of the whole vote cannot be rendered.

500. However, you are not prepared to discuss the question of the re-classification at present?—I think not.

501. *Chairman.*] I quite understood you that you proposed that the whole of each vote should be acted upon by one department?—Certainly.

APPENDIX.

LIST OF APPENDIX.

Appendix, No. 1.

Papers handed in by Mr. Walker:—

Letter from Sir Frederic Rogers, Bart., to the Secretary to the Admiralty, dated 7 October 1864 - - - - - - - - - - - - - - - p. 27

Despatch from Governor Darling to Mr. Secretary Cardwell, dated 23 July 1864 - p. 27

Letter from Mr. Symons to the Private Secretary, dated 22 July 1864 - - - p. 27

Statement of the Cost of the Colonial Steam Sloop "Victoria," whilst in New Zealand Waters, and at the disposal of the Imperial Authorities - - - - - p. 28

Appendix, No. 2.

Papers handed in by Mr. Vine, 29 May 1867:—Showing the present form of Civil Service Estimates, and the proposed form for future Estimates - - - - - - p. 29

APPENDIX.

Appendix, No. 1.

PAPERS handed in by Mr. *Walker*.

Sir *Frederic Rogers*, Bart., to the Secretary to the Admiralty.

Sir, Downing-street, 7 October 1864.

With reference to your letters of the 26th of March and of 1st of April last, I am directed by Mr. Secretary Cardwell to transmit to you, to be laid before the Lords Commissioners of the Admiralty, a copy of a Despatch from the Governor of Victoria, enclosing a statement of the cost incurred by the Colonial Government on account of Her Majesty's Colonial steam ship "Victoria," during the time that vessel was lent for Imperial purposes in the years 1860 and 1861.

No. 79, 23rd July 1864.

I am, &c.

The Secretary to the Admiralty. (signed) *Frederic Rogers.*

(Financial—No. 79.)

Governor *Darling* to Mr. Secretary *Cardwell*.

Sir, Government Offices, Melbourne, 23 July 1864.

I have the honour to acknowledge the receipt of your Despatch, No. 26, of the 10th of April last, with its enclosures, and in compliance with the instructions therein contained I have obtained and beg to transmit a report and accompanying statement from the Colonial Treasury, showing that the expense incurred by the Government of Victoria, on account of Her Majesty's Colonial steam ship "Victoria," during the time that vessel was employed on Imperial service in the years 1860 and 1861, was fifteen thousand one hundred and sixty-five pounds seven shillings and one halfpenny (15,165 *l.* 7 *s.* –½ *d.*), and that of this amount the sum of five thousand eight hundred and eighty-nine pounds seven shillings and sixpence (5,889 *l.* 7 *s.* 6 *d.*), having been advanced by the Commissariat, was repaid to that department, and is therefore now included in the amount charged against Her Majesty's Government.

22nd July 1864.

I have, &c.

The Right Hon. Edward Cardwell, M.P. (signed) *C. H. Darling.*
&c. &c. &c.

Mr. *Symons* to the Private Secretary.

Sir, Treasury, Melbourne, 22 July 1864.

In compliance with the request contained in his Excellency's Minute of the 15th ultimo, on the Despatch from the Right Honourable the Secretary of State, dated the 10th April 1862, I am directed to forward the accompanying statement of the cost of the Colonial steam sloop "Victoria" whilst in New Zealand waters, and at the disposal of the Imperial authorities.

I am to state that as the stores on board the "Victoria," at the conclusion of her New Zealand service, were of about equal value to those with which she was supplied at its commencement, the stock on hand has been omitted from this account.

I have, &c.

The Private Secretary. (signed) *E. S. Symons.*

The Government of Victoria in Account with the Imperial Government.

Dr. H. M. C. S. "VICTORIA." *Cr.*

Date.	Particulars.	Amount. £. s. d.	Date.	Particulars.	Amount. £. s. d.
1860:			1860 and 1861.	Salaries and Wages, 19 April 1860 to 11 April 1861	10,085 4 6
18 May	Commissariat, Auckland	300 – –		Provisions	2,777 – 3
4 June	Ditto ditto	212 7 6		Repairs	432 4 11
11 July	Ditto – Taranaki	50 – –		Pilotage	117 8 3
14 July	Ditto – Sydney	50 – –		Clothing	19 2 4
28 August	Ditto – Taranaki	300 – –		Miscellaneous {Special Cost Account, Travelling Expenses, &c.}	356 18 1
8 September	Ditto – Auckland	240 10 –			
4 October	Ditto – Wellington	300 – –			
11 October	Ditto – ditto	600 – –		Stores as per Total Expenditure shown in Abstract Statement, forwarded to the Admiralty in 1862 {Gunner}	224 2 8
24 November	Ditto – Auckland	440 – –		{Boatswain}	539 17 2
17 December	Ditto – Taranaki	275 – –		{Carpenter}	113 11 10
24 December	Ditto – Auckland	86 19 –		{Cabins}	44 – 10
1861:				{Engineer}	455 15 10
7 January	Ditto – ditto	575 – –	1862	Monies repaid to Commissary General Milrea, on account of Advances in New Zealand, as per voucher attached {1st April to 30th June}	5,470 4 1
8 February	Ditto – ditto	500 – –		{18th July}	419 3 5
2 March	Ditto – ditto	350 – –			
16 March	Ditto – ditto	478 15 10			
	Cost of Provisions and Commissary Stores paid for by the Commissariat Department.	1,130 14 9½		£.	21,054 14 2
	To Balance	15,165 7 –½		By Balance £.	15,165 7 –½
	£.	21,054 14 2			

H. M. C. S. "Victoria,"
22 June 1864.

(signed) *Geo. C. Elliott*, Paymaster.

Appendix, No. 2.

PAPERS handed in by Mr. *Vine*, 29 May 1867.

CIVIL SERVICE ESTIMATES.

Mem.—The Present Form of Estimates is printed on *White* paper, and the Proposed Form for future Estimates is printed on *Blue* paper.

Proposed Form. (3) [Class I.]

— 1. —

ROYAL PALACES.

AN ESTIMATE of the Sum that will be required to defray the Charges which will come in the course of Payment during the Year ending 31st March 1868 for the Maintenance and Repair of ROYAL PALACES.

Forty-one Thousand Nine Hundred and Forty-five Pounds.

SUB-HEADS under which this Vote will be Accounted for.

	1867–68.	1866–67.	INCREASE.	DECREASE.
	£.	£.	£.	£.
A.—PALACES, &c. IN THE PERSONAL OCCUPATION OF HER MAJESTY	17,651	25,192	- -	7,541
B.—PALACES, &c. PARTLY IN THE OCCUPATION OF HER MAJESTY -	4,941	8,060	- -	3,119
C.—PALACES, &c. NOT IN THE OCCUPATION OF HER MAJESTY, &c. -	19,353	15,885	3,468	—
D.—INCIDENTAL EXPENSES - - - - - - - - -	Nil	Nil.	—	—
£.	41,945	49,137	3,468	10,660

NET DECREASE - - - £. 7,192.

A.—PALACES, &c. IN THE PERSONAL OCCUPATION OF HER MAJESTY:	£.	s.	d.
Buckingham Palace - - - - - - - - - - - - - - -	2,613	–	–
Royal Mews, Pimlico - - - - - - - - - - - - - - -	2,424	–	–
Windsor Castle, with the Stables, Lower Lodge, Tomb House, and other detached Buildings, and the Engines upon the Queen's River for supplying the Castle with Water - -	4,369	–	–
Ditto, for altering and enlarging the Grand Staircase, increasing Storage Room for the Lord Chamberlain, removing Canvas and Paper, for erecting New Rooms in the Norman Tower, lining Walls of Passage to Orangery with Seats, enlarging Steward's Room, completing Rooms in Star Building, repairing Stairs of Brunswick Tower, providing New Rooms for Bandmaster, removing Stone Flooring at Visitors' Entrance, Ventilating Stables, Paving portion of Middle Court, fixing Skylight at No. 2 Stables, and furnishing the Billiard Room - - - - - - - - - - - - - -	4,306	–	–
Windsor Home Park, with Adelaide Lodge, and other detached Buildings - - -	973	–	–
Ditto, for Additional Rooms to Adelaide Lodge Cottage, a Small Shed for Kitchen Gardens, Airing Shed and Covered Way for the Kennels - - - - - - - - -	538	–	–
Ditto, Royal Kitchen Gardens, Forcing Houses, Buildings, &c. - - - - -	665	–	–
Frogmore House and Grounds - - - - - - - - - - - - -	1,068	–	–
Richmond Park, White Lodge - - - - - - - - - - - - -	695	–	–
£.	17,651	–	–

(4) *Proposed Form.*

1.—ROYAL PALACES—*continued.*

	£.	s.	d.
B.—PALACES, &c. PARTLY IN THE OCCUPATION OF HER MAJESTY:			
St. James's Palace: for internal and external Repairs	1,241	–	–
Ditto, for the Supply and Repair of the Furniture and Fittings in the State Rooms, the Chapel Royal, the Offices and Apartments occupied by the Royal Household, and the various Official Residences	3,700	–	–
£.	4,941	–	–
C.—PALACES, &c. NOT IN THE PERSONAL OCCUPATION OF HER MAJESTY (including Repairs to Lodges, Buildings, &c. held under Grace and Favour):			
St. James's Palace: for Repairs to the Apartments of Her Royal Highness the Duchess of Cambridge; for external and internal Repairs to Clarence House; and for similar Repairs of Houses and Apartments not occupied by Members of the Royal Family and their respective Households	1,863	–	–
Kensington Palace, with Stables and Outbuildings	3,850	–	–
Hampton Court Palace, Stables and Outbuildings, with the Orangery and Vinery	7,228	–	–
Ditto, for Re-seating and Heating the Chapel Royal (£. 500, a Re-vote)	1,373	–	–
Ditto, for Cleaning and Restoring Pictures and Frames	200	–	–
Hampton Court Stud House and Paddocks, and Buildings in Hampton Court Park appropriated to the Stud Establishment	906	–	–
Kew Palace and Buildings on Kew Green	1,047	–	–
Kew Royal Observatory	42	–	–
Windsor Castle, Military Knights' Houses	556	–	–
Richmond Park: external Repairs to Pembroke Lodge, Thatched House, and East Sheen Cottage	223	–	–
Bushy Park: Bushy House, Stables and Gardens, the Upper Lodge and the Paddocks	965	–	–
For Furniture and Fittings, and for Cleansing and Repairs of Furniture and Fittings at Kensington, Kew, and Hampton Court Palaces	1,100	–	–
£.	19,353	–	–
D.—INCIDENTAL EXPENSES	Nil.		

I.—ESTIMATES, &c.

—1.—

ROYAL PALACES.

AN ESTIMATE of the Sum that will be required to defray the Charges which will come in the course of Payment during the Year ending 31st March 1868 for the Maintenance and Repair of ROYAL PALACES.

Forty-one Thousand Nine Hundred and Forty-five Pounds.

		Required for 1867-8.	Voted, 1866-7.
PALACES, &c., in the personal Occupation of HER MAJESTY:	£. s. d.	£. s. d.	£. s. d.
ckingham Palace	2,613 – –		
yal Mews, Pimlico	2,424 – –		
indsor Castle, with the Stables, Lower Lodge, Tomb House, and other detached Buildings, and the Engines upon the Queen's River for supplying the Castle with Water	4,369 – –		
tto, for altering and enlarging the Grand Staircase, increasing Storage Room for the Lord Chamberlain, removing Canvas and Paper, for erecting New Rooms in the Norman Tower, lining Walls of Passage to Orangery with Seats, enlarging Steward's Room, completing Rooms in Star Building, repairing Stairs of Brunswick Tower, providing New Rooms for Bandmaster, removing Stone Flooring at Visitors' Entrance, Ventilating Stables, Paving portion of Middle Court, fixing Skylight at No. 2 Stables, and furnishing the Billiard Room	4,306 – –		
indsor Home Park, with Adelaide Lodge, and other detached Buildings	973 – –		
itto, for Additional Rooms to Adelaide Lodge Cottage, a Small Shed for Kitchen Gardens, Airing Shed and Covered Way for the Kennels	538 – –		
itto, Royal Kitchen Gardens, Forcing Houses, Buildings, &c.	665 – –		
ogmore House, and Grounds	1,068 – –		
chmond Park, White Lodge	695 – –		
TOTAL for Palaces in the Occupation of Her Majesty	£.	17,651 – –	25,192 – –
Carried forward	£.	17,651 – –	25,192 – –

4 I.—ESTIMATES, &c. CIVIL SERVICES; *Present Form.*

		Required for 1867-8.	Voted, 1866-7.
	£. s. d.	£. s. d.	£. s. d.
Brought forward	- - -	17,651 - -	25,192 - -
PALACES, &c. partly in the Occupation of HER MAJESTY:			
St. James's Palace: for internal and external Repairs	1,241 - -		
Ditto, for the supply and repair of the Furniture and Fittings in the State Rooms, the Chapel Royal, the Offices and Apartments occupied by the Royal Household, and the various Official Residences	3,700 - -		
TOTAL for Palaces partly in the Occupation of Her Majesty	- - £.	4,941 - -	8,060 - -
PALACES, &c. not in the personal Occupation of HER MAJESTY, including Repairs to Lodges, Buildings, &c. held under Grace and Favour:			
St. James's Palace: for Repairs to the Apartments of Her Royal Highness the Duchess of Cambridge; for external and internal Repairs to Clarence House; and for similar Repairs of Houses and Apartments not occupied by Members of the Royal Family and their respective Households	1,863 - -		
Kensington Palace, with Stables and Outbuildings	3,850 - -		
Hampton Court Palace, Stables and Outbuildings, with the Orangery and Vinery	7,228 - -		
Ditto, for Re-seating and Heating the Chapel Royal (£. 500, a Re vote)	1,373 - -		
Ditto, for cleaning and restoring Pictures and Frames	200 - -		
Hampton Court Stud House and Paddocks, and Buildings in Hampton Court Park appropriated to the Stud Establishment	906 - -		
Kew Palace and Buildings on Kew Green	1,047 - -		
Kew Royal Observatory	42 - -		
Windsor Castle, Military Knights' Houses	556 - -		
Richmond Park: external Repairs to Pembroke Lodge, Thatched House, and East Sheen Cottage	223 - -		
Bushy Park: Bushy House, Stables and Gardens, the Upper Lodge and the Paddocks	965 - -		
For Furniture and Fittings, and for Cleansing and Repairs of Furniture and Fittings at Kensington, Kew, and Hampton Court Palaces	1,100 - -		
TOTAL for Palaces not in the Occupation of Her Majesty	- - £.	19,353 - -	15,885 - -
TOTAL for Royal Palaces	- - - £.	41,945 - -	49,137* - -

* Including £. 212 voted in Session of 1867 for Repairs at Windsor Castle.

— 2. —

PUBLIC BUILDINGS.

AN ESTIMATE of the Sum that will be required to defray the Charges which will come in the course of Payment during the Year ending 31st March 1868, for the Maintenance and Repair of PUBLIC BUILDINGS; for providing the necessary Supply of Water; for Rents of Houses hired for temporary Accommodation of Public Departments, and Charges attendant thereon.

One Hundred and Twenty Thousand Eight Hundred and Five Pounds.

SUB-HEADS under which this Vote will be accounted for.

	1867-8.	1866-7.	INCREASE.	DECREASE.
	£.	£.	£.	£.
A.—WORKS AND REPAIRS OF PUBLIC BUILDINGS AND OFFICES, INCLUDING THE SUPPLY OF WATER	42,866	33,520	9,346	—
B.—RENTS OF PREMISES HIRED FOR PUBLIC PURPOSES, PAYMENTS TO CARETAKERS, &c.	28,655	25,964	2,691	—
C.—RATES, TAXES, AND INSURANCE	10,152	8,600	1,552	—
D.—FUEL AND LIGHT, &c.	18,388	18,358	30	—
E.—WESTMINSTER BRIDGE	2,053	-	2,053	—
F.—MENAI AND CONWAY BRIDGES	870	510	360	—
G.—GOVERNMENT BUILDINGS, ISLE OF MAN	115	295	-	180
H.—ERECTION AND MAINTENANCE OF BUILDINGS, &c. IN SCOTLAND	17,406	18,795	-	1,389
I.—INCIDENTAL EXPENSES	300	300	—	—
£.	120,805	106,342	16,032	1,569

NET INCREASE - - - £. 14,463.

A.—WORKS AND REPAIRS OF PUBLIC BUILDINGS AND OFFICES, INCLUDING THE SUPPLY OF WATER:	£.	s.	d.
Maintenance of Public Offices, and Charges attendant thereon	25,000	–	–
Ditto, Abingdon-street, St. Margaret-street, Old and New Palace Yards	440	–	–
Ditto, Burlington House	246	–	–
Ditto, Chelsea Hospital	4,311	–	–
Ditto, Royal Military Asylum, Chelsea	5,434	–	–
Ditto, National Gallery	277	–	–
Ditto, National Portrait Gallery	85	–	–
Ditto, Sessions House, Wellclose-square	39	–	–
Ditto, Tower of London	715	–	–
Ditto, Whitehall Chapel	154	–	–
Erection of a New Jewel House, Tower of London	3,187	–	–
Maintenance of the Keeper's House, Boundary Walls, and Well House of Carisbrook Castle, Isle of Wight	110	–	–
Supply of Water from the Orange-street Waterworks to the Houses of Parliament, Palaces, and Public Offices	2,868	–	–
£.	42,866	–	–

B.—RENTS OF PREMISES HIRED FOR THE ACCOMMODATION OF PUBLIC DEPARTMENTS:			
Abingdon-street, No. 32, Office for the Sale of Parliamentary Papers, and Rooms for temporary Purposes	250	–	–
Adelphi-terrace, No. 6, Temporary Commissions	220	–	–
Adelaide-place, London Bridge, No. 6, Registry of Seamen	1,284	–	–
Broad Sanctuary, No. 4, Civil Service Commission	400	–	–
Burlington House Gardens, site of portion of the Boundary Wall (Fee Farm Rent)	10	–	–
Byng-place, Torrington-square, Nos. 1, 2, and 3	350	–	–
Chancery-lane, No. 3, Master's Office, Common Pleas	500	–	–
Ditto - back of No. 5, Registry of Judgments, Common Pleas	50	–	–
Ditto - No. 58, Queen's Remembrancer's Office	200	–	–
Carried forward - - - £.			

2.—PUBLIC BUILDINGS—*continued.*

B.—Rents of Premises hired for the Accommodation of Public Departments—*continued.*	£.	s.	d.
Brought forward - - -			
Chapter House, Westminster, Record Office - - - - - - - - - -	10	1	4
Craig's-court, Nos. 5 and 6, late Census Office - - - - - - - - -	550	–	–
Cursitor-street, Nos. 38, 39, and 40, and Nos. 1, 2, and 3, Church-passage, Patent Office Warehouse - - - - - - - - - - - - - - -	400	–	–
Delahay-street, No. 25, Army Medical Inspection Office - - - - - -	110	–	–
East-street, Manchester-square, No. 30 - - - - - - - - -	135	–	–
Godliman-street, No. 10, Admiralty Registry - - - - - - - - -	220	–	–
Ditto - No. 11 - - ditto - - - - - - - - -	120	–	–
Ditto - No. 12 - - ditto - - - - - - - - -	250	–	–
Great Queen-street, Westminster, Nos. 17 and 18, Irish Office - - - - -	258	8	9
Great St. Ann-street, Westminster, Furniture Depôt - - - - - - - -	295	–	–
Great Smith-street - - ditto - - - - - - - - -			
Great George-street, No. 13, Council of Military Education - - - - - -	250	–	–
Ditto - - - No. 28, Civil Service Commission - - - - - - -	300	–	–
Ditto - - - No. 29, National Portrait Gallery - - - - - - -	350	–	–
Ditto - - - No. 35, Judge Advocate's Office - - - - - - -	280	–	–
Gwydyr House, Whitehall, Poor Law Board - - - - - - - - -	700	–	–
Kennington Common, Manley Cottage, Out-Pension Pay Office - - - - -	150	–	–
King's Bench Walk, No. 2, Master's Office, Crown Office - - - - - - -	55	–	–
Lancaster-place, No. 7, Registry of Deeds by Married Women, and Temporary Commissions	140	–	–
Mitre-court Buildings, Inner Temple, No. 2, Master's Offices, Queen's Bench - - -	585	10	–
New-street, Spring-gardens, No. 1, Lord Advocate of Scotland, Lord Privy Seal, &c. -	300	–	–
Ditto - - ditto - No. 2, Registry of County Courts, Judgments, and Examiners of Criminal Law Accounts - - - - - - - - - -	200	–	–
Ditto No. 4, Topographical Branch of the War Office - - - - - - -	420	–	–
Ditto No. 5, Commissariat Department - - - - - - - - -	300	–	–
Ditto No. 19, Patriotic Fund Commission - - - - - - - - -	300	–	–
Old Palace-yard, No. 4, Salmon Fisheries Commission - - - - - - -	170	–	–
Ditto - No. 7, Exchequer - - - - - - - - - - -	300	–	–
Old Jewry, No. 19, National Debt Office - - - - - - - - - -	1,305	19	4
Orange-street, No. 1 - - - - - - - - - - - -	15	–	–
Pall Mall, Nos. 80 to 82, War Office - - - - - - - - - -	380	15	–
Ditto - Nos. 83 to 87 - ditto - - - - - - - - - -	1,580	–	–
Pall Mall, No. 88, War Office - - - - - - - - - - -	208	–	–
Ditto No. 89 - ditto - - - - - - - - - - -	86	6	8
Ditto No. 90 - ditto - - - - - - - - - - -	209	–	–
Ditto No. 91 - ditto - - - - - - - - - - -	570	–	–
Parliament-street, No. 1, Board of Trade - - - - - - - - - -	200	–	–
Ditto - - No. 2 - ditto - - - - - - - - - -	300	–	–
Ditto - - No. 15, Inspector of Reformatories - - - - - - - -	160	–	–
Ditto - - No. 22 - - - ditto - - - - - - - -	200	–	–
Ditto - - No. 45, Inspectors of Prisons - - - - - - - - -	300	–	–
Princes-street, Westminster, Stationery Office - - - - - - - - -	700	–	–
Park-street, Westminster, No. 5, Home Office Counsel - - - - - - - -	265	–	–
Ditto - ditto - No. 8, Emigration Office - - - - - - - -	300	–	–
Paul's Bakehouse Court, Doctors' Commons, Admiralty Registry - - - - - -	80	–	–
Richmond-terrace, No. 8, Local Government Act Office, Burial Act Office, and Medical Department of Privy Council - - - - - - - - - -	420	–	–
St. James's-square, No. 4, Tithe and Copyhold Commission - - - - - - -	900	–	–
Serjeants'-inn, Fleet-street, No. 13, Registry of Joint Stock Companies - - - - -	450	–	–
Southampton-buildings, Chancery-lane, No. 25, Patent Office - - - - - -	520	–	–
Stone-buildings, Lincoln's Inn, No. 7, Master's Offices, Exchequer - - - - - -	690	–	–
Thames Bank, Workshops and Wharf - - - - - - - - - - -	492	13	9
Victoria-street, No. 2, Temporary Commissions - - - - - - - - -	500	–	–
Ditto - - No. 109, Fortification Branch of the War Office - - - - - -	750	–	–
Wellclose-square, Court-house - - - - - - - - - - - -	156	14	10
Westminster Chambers, No. 7 - - - - - - - - - - - -	420	–	–
Whitehall, No. 1, Registry of Designs, Railway Department - - - - - -	320	–	–
Ditto - No. 10, Factory Inspectors and Education Department - - - - -	300	–	–
Whitehall-gardens, No. 7, Pembroke House, Temporary Foreign Office - - - -	1,450	–	–
Ditto - - - No. 8, Temporary Foreign Office - - - - - - - -			
Whitehall-place, No. 5, Police Commissioners; Solicitor to the Office of Works, &c. -	499	2	–
Ditto - - No. 11, Ecclesiastical Commissioners - - - - - - - -	680	–	–
Ditto - - No. 12, Office of Works - - - - - - - - - -	335	–	–
Ditto - - No. 13, - ditto - - - - - - - - - -	368	7	9
Ditto - - No. 19, Lunacy Commission - - - - - - - - - -	400	–	–
Whitehall-yard, No. 1 - - - - - - - - - - - - -	180	–	–
York-street, St. James's-square, No. 8, Charity Commission - - - - - - -	700	–	–
Occasional Expenses incurred in taking and giving up Premises hired for the accommodation of Public Departments - - - - - - - - - - - -	150	–	–
Payment of Persons in charge of Premises taken for Public Offices, and occasional Caretakers - - - - - - - - - - - - - - -	700	–	–
£.	28,655	–	–

2.—PUBLIC BUILDINGS—*continued.*

	£.	s.	d.
C.—RATES, TAXES, AND INSURANCE:			
Rates and Taxes, or Donations in lieu thereof, and Insurances, including Payment of Rates under 7 Geo. 4, c. 77, 22 Vict. c. 19, 24 & 25 Vict. c. 33, 28 Vict. c. 31, and 29 Vict. c. 21, in respect of site of new Public Offices in Downing-street	10,152	–	–
D.—FUEL AND LIGHT, &c.:			
Gas, Oil, Candles, Soap, and other House Articles	8,138	–	–
Coals and Firewood	10,250	–	–
£.	18,388	–	
E.—WESTMINSTER BRIDGE:*			
Maintaining, Watering, Cleansing, and Lighting the Bridge, and for Police	2,053	–	–
F.—MENAI AND CONWAY BRIDGES:			
Ordinary Repairs, &c., including Salary and Travelling Expenses of the Engineer	870	–	–
G.—GOVERNMENT BUILDINGS, ISLE OF MAN:			
Maintenance and Repairs of Castle Rushen, and the Court Houses of Douglas, Ramsay, Kirk Michael, and Peel, including Rent of right of Passage, Court House, Douglas, Isle of Man	115	–	–
H.—SCOTLAND:			
Maintenance and Repair of Royal, Public, Ecclesiastical, and Collegiate Buildings, and Charges attendant thereon	9,009	–	–
Royal Botanic Gardens: for the Repair, Painting, and Maintenance of the Palm House, Green Houses, Forcing Houses, Pits, Herbarium, Museum and Class Rooms, and the Superintendent's and Gardeners' Dwelling Houses	720	–	–
Ditto: Feu Duty and Annual Rent	203	3	6
Holyrood Palace: for fitting up Apartments temporarily for the accomodation of the Lord High Commissioner of the General Assembly of the Church of Scotland	40	–	–
General Assembly Hall: for providing additional Accommodation (Re-Vote)	500	–	–
Haddington Abbey: for the Preservation of Ruins	195	–	–
Courts of Law, Edinburgh; for renewing the Great South-east Window of Parliament Hall:—			
Total Estimate £. 2,000 – –			
Amount already Voted 2,000 – –			
Amount required to be Re-Voted for 1867-8	500	–	–
Ditto: towards Re-paving the large Parliament Square	500	–	–
Scotch Education Commission: for Rent, &c. of Furnished Apartments	365	–	–
Industrial Museum, Edinburgh: for Glass Cases for Exhibiting Specimens	1,000	–	–
Dunblane Cathedral: for the Restoration of Tower, Steps, &c.	325	–	–
King's College, Aberdeen: for redeeming Police Assessment	30	–	–
Ditto; for erection of House for Professor of Theology, and for Rent of House during the erection	1,885	–	–
Ditto: for improving Official Residences	700	–	–
Marischal College, Aberdeen: alteration of Anatomical Museum	420	–	–
Museum of Society of Antiquaries: for New Flooring, &c.	760	–	–
For Chambers and Furniture for the Solicitor for the Department of Works, Woods, &c.	253	–	–
TOTAL for SCOTLAND £.	17,405	3	6
I.—INCIDENTAL EXPENSES, including Preliminary Plans and Drawings	300	–	–

* This item has hitherto formed a separate Estimate.

— 2. —

PUBLIC BUILDINGS.

AN ESTIMATE of the Sum that will be required to defray the Charges which will come in the course of Payment during the Year ending 31st March 1868, for the Maintenance and Repair of PUBLIC BUILDINGS; for providing the necessary Supply of Water; for Rents of Houses hired for temporary Accommodation of Public Departments, and Charges attendant thereon.

One Hundred and Twenty Thousand Eight Hundred and Five Pounds.

		Required for 1867-8.	Voted, 1866-7.
	£. s. d.	£. s. d.	£. s. d.
Sum that will be required for the maintenance and repair of Public Offices, and Charges attendant thereon - - - - - -	25,000 - -		
Ditto, Abingdon-street St. Margaret-street, Old and New Palace Yards - - - - - - - - - - - -	440 - -		
Ditto, Burlington House - - - - - - - - -	246 - -		
Ditto, Chelsea Hospital - - - - - - - - -	4,311 - -		
Ditto, Royal Military Asylum, Chelsea - - - - -	5,434 - -		
Ditto, National Gallery - - - - - - - - -	277 - -		
Ditto, National Portrait Gallery - - - - - - -	85 - -		
Ditto, Sessions House, Wellclose-square - - - - -	39 - -		
Ditto, Tower of London - - - - - - - - -	715 - -		
Ditto - for the erection of a New Jewel House, Tower of London	3,187 - -		
Ditto, Whitehall Chapel - - - - - - - - -	154 - -		
Ditto, for supply of Water from the Orange-street Waterworks to the Houses of Parliament, Palaces, and Public Offices - -	2,868 - -		
Ditto, for the maintenance and repairs of Castle Rushen, and the Court Houses of Douglas, Ramsay, Kirk Michael, and Peel, including rent of right of passage, Court House, Douglas, Isle of Man - - - - - - - - - - - -	115 - -		
Ditto, for the maintenance of the Keeper's House, Boundary Walls, and Well House of Carisbrook Castle, Isle of Wight	110 - -		
		42,981 - -	32,910 - -
Carried forward - - - £.	- - -	42,981 - -	32,910 - -

6 I.—ESTIMATES, &c. CIVIL SERVICES; *Present Form.*

	£. s. d.	Required for 1867–8. £. s. d.	Voted, 1866–7. £. s. d.
Brought forward - - -	- - -	42,981 - -	32,910 - -
RENTS of Premises hired for the Accommodation of Public Departments:			
Abingdon-street, No. 32, Office for the Sale of Parliamentary Papers, and Rooms for temporary Purposes - - - -	250 - -		
Adelphi-terrace, No. 6, Temporary Commissions - - -	220 - -		
Adelaide-place, London Bridge, No. 6, Registry of Seamen - -	1,284 - -		
Broad Sanctuary, No. 4, Civil Service Commission - - -	400 - -		
Burlington House Gardens, site of portion of the Boundary Wall (Fee Farm Rent) - - - - - - - - - -	10 - -		
Byng-place, Torrington-square, Nos. 1, 2, and 3 - - -	350 - -		
Chancery Lane, No. 3, Master's Office, Common Pleas - -	500 - -		
Ditto - - back of No. 5, Registry of Judgments, Common Pleas - - - - - - - - - -	50 - -		
Ditto - - No. 58, Queen's Remembrancer's Office - -	200 - -		
Chapter House, Westminster, Record Office - - - -	10 1 4		
Craig's-court, Nos. 5 and 6, late Census Office - - - -	550 - -		
Cursitor-street, Nos. 38, 39, and 40, and Nos. 1, 2, and 3, Church Passage, Patent Office Warehouse - - - - -	400 - -		
Delahay-street, No. 25, Army Medical Inspection Office - -	110 - -		
East-street, Manchester-square, No. 30 - - - - -	135 - -		
Godliman-street, No. 10, Admiralty Registry - - - -	220 - -		
Ditto - - No. 11 - - ditto - - - - -	120 - -		
Ditto - - No. 12 - - ditto - - - - -	250 - -		
Great Queen-street, Westminster, Nos. 17 and 18, Irish Office -	258 8 9		
Great St. Ann-street, Westminster, Furniture Depôt - - -	295 - -		
Great Smith-street - - ditto - - ditto - - - -			
Great George-street, No. 13, Council of Military Education -	250 - -		
Ditto - - - No. 28, Civil Service Commission - -	300 - -		
Ditto - - - No. 29, National Portrait Gallery - -	350 - -		
Ditto - - - No. 35, Judge Advocate's Office - -	280 - -		
Gwydyr House, Whitehall, Poor Law Board - - - -	700 - -		
Kennington Common, Manley Cottage, Out-Pension Pay Office -	150 - -		
King's Bench Walk, No. 2, Master's Office, Crown Office - -	55 - -		
Lancaster-place, No. 7, Registry of Deeds by Married Women, and Temporary Commissions - - - - - - - -	140 - -		
Mitre-court Buildings, Inner Temple, No. 2, Master's Offices, Queen's Bench - - - - - - - - - -	585 10 -		
New-street, Spring-gardens, No. 1, Lord Advocate of Scotland, Lord Privy Seal, &c. - - - - - - - - -	300 - -		
Ditto - - ditto - No. 2, Registry of County Courts, Judgments, and Examiners of Criminal Law Accounts -	200 - -		
Ditto No. 4, Topographical Branch of the War Office -	420 - -		
Ditto No. 5, Commissariat Department - - - -	300 - -		
Ditto No. 19, Patriotic Fund Commission - - - -	300 - -		
Old Palace-yard, No. 4, Salmon Fisheries Commission - - -	170 - -		
Ditto - No. 7, Exchequer - - - - - -	300 - -		
Old Jewry, No. 19, National Debt Office - - - - -	1,305 19 4		
Orange-street, No. 1 - - - - - - - - -	15 - -		
Pall Mall, Nos. 80 to 82, War Office - - - - -	380 15 -		
Ditto - Nos. 83 to 87 - ditto - - - - - -	1,580 - -		
Carried forward - - - £.	13,694 14 5	42,981 - -	32,910 - -

Present Form. FOR THE YEAR ENDING 31 MARCH 1868. [Class I.] 7

	£. s. d.	Required for 1867-8. £. s. d.	Voted, 1866-7. £. s. d.
Brought forward - - -	13,694 14 5	42,981 - -	32,910 - -
Pall Mall, No. 88, War Office - - - - - - -	208 - -		
Ditto No. 89 - ditto - - - - - - -	86 6 8		
Ditto No. 90 - ditto - - - - - - -	209 - -		
Ditto No. 91 - ditto - - - - - - -	570 - -		
Parliament-street, No. 1, Board of Trade - - - - -	200 - -		
Ditto - - No. 2 - ditto - - - - - -	300 - -		
Ditto - - No. 15, Inspector of Reformatories - -	160 - -		
Ditto - - No. 22 - - - ditto - - - - -	200 - -		
Ditto - - No. 45, Inspectors of Prisons - - - -	300 - -		
Princes-street, Westminster, Stationery Office - - - -	700 - -		
Park-street, Westminster, No. 5, Home Office Counsel - -	265 - -		
Ditto - ditto - No. 8, Emigration Office - - -	300 - -		
Paul's Bakehouse Court, Doctors' Commons, Admiralty Registry	80 - -		
Richmond-terrace, No. 8, Local Government Act Office, Burial Act Office, and Medical Department of Privy Council - -	420 - -		
St. James's-square, No. 4, Tithe and Copyhold Commission -	900 - -		
Serjeants'-inn, Fleet-street, No. 13, Registry of Joint Stock Companies - - - - - - - - - - - -	450 - -		
Southampton-buildings, Chancery-lane, No. 25, Patent Office -	520 - -		
Stone-buildings, Lincoln's Inn, No. 7, Master's Offices, Exchequer	690 - -		
Thames Bank, Workshops and Wharf - - - - - -	492 13 9		
Victoria-street, No. 2, Temporary Commissions - - - -	500 - -		
Ditto - - No. 109, Fortification Branch of the War Office -	750 - -		
Wellclose-square, Court-house - - - - - - - -	156 14 10		
Westminster Chambers, No. 7 - - - - - - - -	420 - -		
Whitehall, No. 1, Registry of Designs, Railway Department -	320 - -		
Ditto - No. 10, Factory Inspectors and Education Department	300 - -		
Whitehall-gardens, No. 7, Pembroke House, Temporary Foreign Office - - - - - - - - - - - Ditto - - No. 8, Temporary Foreign Office - - -	1,450 - -		
Whitehall-place, No. 5, Police Commissioners; Solicitor to the Office of Works, &c. - - - - - - - - - -	499 2 -		
Ditto - - No. 11, Ecclesiastical Commissioners - -	680 - -		
Ditto - - No. 12, Office of Works - - - - -	335 - -		
Ditto - - No. 13, - - ditto - - - - -	368 7 9		
Ditto - - No. 19, Lunacy Commission - - - -	400 - -		
Whitehall-yard, No. 1 - - - - - - - - - -	180 - -		
York-street, St. James's-square, No. 8, Charity Commission - -	700 - -		
Sum for occasional Expenses incurred in taking and giving up Premises hired for the accommodation of Public Departments -	- - -	27,804 19 5	25,113 11 4
		150 - -	150 - -
Ditto, for Payment of Persons in charge of Premises taken for Public Offices, and occasional Caretakers - - - - - - -	- - -	700 - -	700 - -
Ditto, for Payment of Rates and Taxes, or Donations in lieu thereof, and Insurances, including Payment of Rates under 7 Geo. 4, c. 77, 22 Vict. c. 19, 24 & 25 Vict. c. 33, 28 Vict. c. 31, and 29 Vict. c. 21, in respect of site of new Public Offices in Downing-street -	- - -	10,152 - -	8,600 - -
Ditto, for Gas, Oil, Candles, Soap, and other House Articles -	- - -	8,138 - -	7,858 - -
Ditto, for Coals and Firewood - - - - - - - -	- - -	10,250 - -	10,500 - -
MENAI and CONWAY BRIDGES:			
Ordinary Repairs, &c., including Salary and Travelling Expenses of the Engineer - - - - - - - - - - -	- - -	870 - -	510 - -
WESTMINSTER BRIDGE: *			
For Maintaining, Watering, Cleansing, and Lighting the Bridge, and for Police - - - - - - - - - -	- - -	2,053 - -	—
Carried forward - - - £.	- - -	103,098 19 5	86,341 11 4

* This item has hitherto formed a separate Estimate.

L.—ESTIMATES, &c. CIVIL SERVICES; *Present Form.*

		Required for 1867–8.	Voted, 1866–7.
	£. s. d.	£. s. d.	£. s. d.
Brought forward	- - -	103,098 19 5	86,341 11 4
SCOTLAND.			
Sum that will be required for the Maintenance and Repair of Royal, Public, Ecclesiastical, and Collegiate Buildings, and Charges attendant thereon	9,009 – –		
Royal Botanic Gardens: for the Repair, Painting, and Maintenance of the Palm House, Green Houses, Forcing Houses, Pits, Herbarium, Museum and Class Rooms, and the Superintendent's and Gardeners' Dwelling Houses	720 – –		
Ditto: for Payment of Feu Duty and of Annual Rent	203 3 6		
Holyrood Palace: for fitting up Apartments temporarily for the accommodation of the Lord High Commissioner of the General Assembly of the Church of Scotland	40 – –		
General Assembly Hall: for providing additional Accommodation (Re-Vote)	500 – –		
Haddington Abbey: for the Preservation of Ruins	195 – –		
Courts of Law, Edinburgh; for renewing the Great South-east Window of Parliament Hall:—			
Total Estimate £. 2,000 – –			
Amount already Voted 2,000 – –			
Amount required to be Re-Voted for 1867–8	500 – –		
Ditto: towards Re-paving the large Parliament Square	500 – –		
Scotch Education Commission: for Rent, &c. of Furnished Apartments	365 – –		
Industrial Museum, Edinburgh: for Glass Cases for Exhibiting Specimens	1,000 – –		
Dunblane Cathedral: for the Restoration of Tower, Steps, &c.	325 – –		
King's College, Aberdeen: for redeeming Police Assessment	30 – –		
Ditto: for erection of House for Professor of Theology, and for Rent of House during the erection	1,885 – –		
Ditto: for improving Official Residences	700 – –		
Marischal College, Aberdeen: alteration of Anatomical Museum	420 – –		
Museum of Society of Antiquaries: for New Flooring, &c.	760 – –		
For Chambers and Furniture for the Solicitor for the Department of Works, Woods, &c.	253 – –		
TOTAL for Scotland £.		17,405 3 6	18,795 – –
Incidental Expenses, including Preliminary Plans and Drawings		300 – –	300 – –
GRAND TOTAL for PUBLIC BUILDINGS £.		120,804 2 11	106,341 11 4*

* Including £. 905 voted in the Session of 1867 for additional Designs for enlargement of the National Gallery.

— 5. —

HOUSES OF PARLIAMENT.

AN ESTIMATE of the Sum that will be required to defray the Charges which will come in the course of Payment during the Year ending 31st March 1868, for the Buildings of the Houses of Parliament.

Fifty-five Thousand One Hundred and Thirty-seven Pounds.

SUB-HEADS under which this Vote will be Accounted for.

	1867-8.	1866-7.	INCREASE.	DECREASE.
	£.	£.	£.	£.
A.—Works, Fittings, &c. under Architect	23,338	30,645	-	7,307
B.—Maintenance of Buildings	7,155	4,685	2,470	—
C.—Warming, Ventilating, and Lighting	11,719	11,395	324	—
D.—Police	1,700	1,725	-	25
E.—Supply and Repair of Furniture, Hair-cloth, Mats, &c.	6,200	6,675	-	475
F.—Works of Art	4,600	6,150	-	1,550
G.—Incidental Expenses	425	415	10	—
£.	55,137	61,690	2,804	9,357

Net Decrease £. 6,553.

A.—WORKS, FITTINGS, &c. UNDER ARCHITECT:	£.	s.	d.
Completing the Clock Tower, and for Works in New Palace-yard and its Approaches, including the Erection of Arcade and Formation of Subway	12,198	–	–
Ornamental Railing and other Works in Parliament-square *	6,000	–	–
St. Stephen's Crypt, the Royal Gallery, and the Queen's Robing-room	5,140	–	–
£.	23,338	–	–

* 5,500 *l.*, a Re-vote.

B.—MAINTENANCE OF BUILDINGS:			
Casual internal and external Repairs, and for Repairs of Official Houses, and Miscellaneous Charges, including the Expense of keeping in order the Electric Bells and Machinery connected therewith	6,600	–	–
Salaries of persons in charge of the Maintenance and Repair of the Building	555	–	–
£.	7,155	–	–

C.—WARMING, VENTILATING, AND LIGHTING:			
Cost of Works connected with the Warming, Ventilating, and Lighting Arrangements, and for the Wages of Men in attendance thereon	4,315	–	–
Supply of Gas in both Houses of Parliament, the Offices, Halls, Corridors, Great Clock, &c., and for Oil Lamps for the Offices, Division Lobbies, and Retiring-rooms	5,200	–	–
Fuel for both Houses of Parliament	1,704	–	–
Salary of the Officer in charge of the Warming and Ventilating Arrangements	500	–	–
£.	11,719	–	–

(18) *Proposed Form.*

5.—HOUSES OF PARLIAMENT—*continued.*

D.—POLICE:

	£.	s.	d.
Pay of the Police engaged in Watching and Protecting the Building from Fire	1,700	–	–

E.—SUPPLY AND REPAIR OF FURNITURE, HAIR-CLOTH, MATS, &c.:

Furniture and Repair and Cleaning of Furniture	4,900	–	–
Taking up Hair-cloth, Mats, &c., and Cleaning Dust from the Floor of the House of Commons, and for the Supply of New Hair-cloth, Mats, &c.	1,300	–	–
£.	6,200	–	–

F.—WORKS OF ART:

Works of Art for the Decoration of the Palace of Westminster	4,600	–	–

DETAIL of the above.

WORKS.	TOTAL ESTIMATE for the Work.	Amount already Voted.	Gross Sum Expended to 31 December 1866.	Vote required for the Year 1867-8.	Further Amount required to Complete the Work.
The Peers' Robing Room:	£.	£.	£.	£.	£.
The Judgment of Daniel, by J. R. Herbert, R.A. (Re-vote).	4,000	3,000	1,000	1,000	2,000
The Commons' Corridor:					
Works by E. M. Ward, R.A.					
The Acquittal of the Bishops (Re-vote)	600	700	–	600	
Monk Declaring for a Free Parliament	600	–	–	600	
The Lords and Commons presenting the Crown to William and Mary	600	–	–	600	
Amount recommended by the Royal Commission (19th July 1864) to be paid to Mr. Ward, R.A., on the completion of his pictures	800	–	–	800	
Royal Gallery:					
For two Statues in the Chronological Series of British Sovereigns now in course of Execution	1,600	800	800	800	
Incidental Expenses, Pay of Plasterers, &c.	–	–	–	200	
			£.	4,600	

G.—INCIDENTAL EXPENSES:

	£.	s.	d.
Winding and Regulating the Great Clock	115	–	–
Ground-rent, Rates, and Insurance of No. 8, Spring Gardens, the official Residence of the Clerk in Parliament	310	–	–
£.	425	–	–

— 5. —

HOUSES OF PARLIAMENT.

AN ESTIMATE of the Sum that will be required to defray the Charges which will come in the course of Payment during the Year ending 31st March 1868, for the Buildings of the Houses of Parliament.

Fifty-five Thousand One Hundred and Thirty-seven Pounds.

	Required for 1867–8.	Voted, 1866–7.
	£. s. d.	£. s. d.
For completing the clock tower, and for works in New Palace-yard and its approaches, including the erection of arcade and formation of subway	12,198 – –	
For ornamental railing and other works in Parliament-square *	6,000 – –	
For St. Stephen's Crypt, the Royal Gallery, and the Queen's Robing-room	5,140 – –	
For casual internal and external repairs, and for repairs of official houses, and miscellaneous charges, including the expense of keeping in order the electric bells and machinery connected therewith	6,600 – –	
For the cost of works connected with the warming, ventilating, and lighting arrangements, and for the wages of men in attendance thereon	4,315 – –	
For the supply of gas in both Houses of Parliament, the offices, halls, corridors, great clock, &c., and for oil lamps for the offices, division lobbies, and retiring rooms	5,200 – –	
For fuel for both Houses of Parliament	1,704 – –	
For salaries of persons in charge of the maintenance and repair of the building	555 – –	
For the salary of the officer in charge of the warming and ventilating arrangements	500 – –	
For the pay of the police engaged in watching and protecting the building from fire	1,700 – –	
For the furniture and repair and cleaning of furniture	4,900 – –	
For taking up hair-cloth, mats, &c., and cleaning dust from the floor of the House of Commons, and for the supply of new hair-cloth, mats, &c.	1,300 – –	
For winding and regulating the great clock	115 – –	
For ground-rent, rates, and insurance of No. 8, Spring Gardens, the official residence of the Clerk in Parliament	310 – –	
For various works of art for the decoration of the Palace of Westminster (according to the detail in the next page)	4,600 – –	
TOTAL for Houses of Parliament £.	55,137 – –	61,690 – –†

* 5,500 *l.*, a Re-vote.

† Including 600*l.* in Session of 1867 for additional remuneration to Mr. Cope for Frescoes.

DETAIL of the ESTIMATE of the Works of Art for the Decoration of the PALACE at WESTMINSTER.

WORKS.	TOTAL ESTIMATE for the Work.	Amount already Voted.	Gross Sum Expended to 31 December 1866.	Vote required for the Year 1867–8.	Further Amount required to Complete the Work.
	£.	£.	£.	£.	£.
The Peers' Robing Room:					
The Judgment of Daniel, by J. R. Herbert, R.A. (Re-vote).	4,000	3,000	1,000	1,000	2,000
The Commons' Corridor:					
Works by E. M. Ward, R.A.					
The Acquittal of the Bishops (Re-vote).	600	700	- -	600	
Monk Declaring for a Free Parliament.	600	- -	- -	600	
The Lords and Commons presenting the Crown to William and Mary.	600	- -	- -	600	
Amount recommended by the Royal Commission (19th July 1864) to be paid to Mr. Ward, R.A., on the completion of his pictures.	800	- -	- -	800	
Royal Gallery:					
For two Statues in the Chronological Series of British Sovereigns now in course of execution.	1,600	800	800	800	
Incidental Expenses, Pay of Plasterers, &c.	- -	- -	- -	200	
			£.	4,600	

Proposed Form. (8) **[Class II.]**

— 4. —

FOREIGN OFFICE.

AN ESTIMATE of the Sum that may be required in the Year ending 31st March 1868, to pay SALARIES and other Expenses in the Department of HER MAJESTY'S SECRETARY of STATE for FOREIGN AFFAIRS.

Sixty-seven Thousand Four Hundred and Ten Pounds.

SUB-HEADS under which this Vote will be accounted for:

	1867-8.	1866-7.	Increase.	Decrease.
	£.	£.	£.	£.
A.—SALARIES	37,560	38,739	-	1,199
B.—EXTRA COURIERS, &c.	24,000	20,694	3,306	—
C.—TELEGRAPH EXPENSES	3,500	1,987	1,513	—
D.—INCIDENTAL EXPENSES	2,350	2,400	-	50
£.	67,410	63,840	4,819	1,249

NET INCREASE £. 3,570.

A.—SALARIES:

Numbers. 1866-7.	Numbers. 1867-8.		SALARY OF OFFICE. Minimum.	Annual Increment.	Maximum.	1867-8.
			£.	£.	£.	£.
1	1	Secretary of State	-	-	-	5,000
1	1	Under Secretary of State	-	-	-	2,000
1	1	Ditto - ditto	-	-	-	1,500
1	1	Assistant - ditto	-	-	-	1,500
-	1	Superintendent of Commercial and Consular Division	700	25	1,000	951
1	1	Chief Clerk	1,000	50	1,250	1,017
8	6	Senior Clerks	700	25	1,000	5,007
8	8	Assistant Clerks	550	20	650	4,813
10	10	First Class Junior Clerks	350	15	545	4,484
9	9	Second Class - ditto	150	10	300	1,749
6	6	Third Class - ditto	100	10	150	744
1	1	Librarian and Keeper of the Papers	600	25	800	800
1	1	Sub-Librarian	400	15	500	473
5	5	1st, 2nd, and 3rd Clerks in Librarian's Department	250	15	360	1,029
		4th and 5th ditto	100	10	240	375
1	1	Superintendent of the Treaty Department	600	25	800	800
1	1	Assistant	400	15	500	500
1	1	Clerk in ditto	250	15	360	284
3	3	1st Clerk in Chief Clerk's Department	400	15	500	411
		2nd and 3rd ditto, each	100	10	240	220
1	1	Supplemental Clerk in the Consular Department	250	15	360	284
1	1	Translator	500	-	500	500
-	-	Private Secretary and Précis Writer, 300 *l.* each	-	-	-	600
-	-	Private Secretary to the Parliamentary Under Secretary of State	-	-	-	150
1	1	Printer	-	-	-	150
5	5	Office Keepers, 1 at 200 *l.*, 1 at 150 *l.*, and 3 at 125 *l.*	-	-	-	725
2	2	Office Porters, 1 at 230 *l.*, and 1 at 120 *l.*	-	-	-	350
2	2	Doorkeepers, at 100 *l.* each	-	-	-	200
1	1	Lamplighter and Coal Porter	-	-	-	94
1	1	Housekeeper	-	-	-	100
73	73	Extra Allowances to Persons on the Establishment; viz.:				
		Superintendent of the Commercial and Consular Division, in addition to his Salary as a Senior Clerk	-	-	-	250
		First Assistant in ditto, in addition to his Salary as an Assistant Clerk	-	-	-	100
		Chief Clerk	—	—	—	—
		Superintendent of the Treaty Department	-	-	-	200
		4 Resident Clerks, at 50 *l.* each	-	-	-	200
		1 *Clerk in Chief Clerk's Department*	—	—	—	—
					£.	37,560

B.—EXTRA COURIERS, &c.;

Messengers' Bills and Expenses of Extra Couriers	£. 24,000

C.—TELEGRAPH EXPENSES £. 3,500

D.—INCIDENTAL EXPENSES:

Tradesmen's Bills	430
Housekeeper's ditto	597
Doorkeeper's ditto	55
Miscellaneous Services	668
Expenses of the Passport Department*	600
£.	2,350

* The Fees of the Passport Office, estimated for the year at 750 *l.*, will be paid to the Exchequer.

— 4. —

FOREIGN OFFICE.

AN ESTIMATE of the Sum that may be required in the Year ending 31st March 1868, to pay SALARIES and other Expenses in the Department of HER MAJESTY'S SECRETARY of STATE for FOREIGN AFFAIRS.

Sixty-seven Thousand Four Hundred and Ten Pounds.

		1867-8.	1866-7.
		£.	£.
(A.)—Salaries of the Secretary of State, Under Secretaries of State, and Assistant Under Secretary		10,000	10,000
(B.)—Salaries of Clerks and others on the Establishment		26,810	28,059
		36,810	38,059
(C.)—Contingencies	£. 3,100		
Messengers' Bills, Expenses of Extra Couriers, and Telegrams	27,500		
		30,600	25,781
TOTAL £.		67,410	63,840

Numbers. 1866-7.	Numbers. 1867-8.		SALARY OF OFFICE. Minimum.	Annual Increment.	Maximum.	1867-8.	1866-7.
		SPECIFICATION of (A.)	£.	£.	£.	£.	£.
1	1	Secretary of State	- -	- -	- -	5,000	5,000
1	1	Under Secretary of State	- -	- -	- -	2,000	2,000
1	1	Ditto - ditto	- -	- -	- -	1,500	1,500
1	1	Assistant - ditto	- -	- -	- -	1,500	1,500
					£.	10,000	10,000
		SPECIFICATION of (B.)					
-	1	Superintendent of Commercial and Consular Division	700	25	1,000	951	—
1	1	Chief Clerk	1,000	50	1,250	1,017	1,250
8	6	Senior Clerks	700	25	1,000	5,007	6,993
8	8	Assistant Clerks	550	20	650	4,813	4,923
10	10	First Class Junior Clerks	350	15	545	4,434	4,396
9	9	Second Class - ditto	150	10	300	1,749	1,736
6	6	Third Class - ditto	100	10	150	744	731
1	1	Librarian and Keeper of the Papers	600	25	800	800	800
1	1	Sub-Librarian	400	15	500	473	458
5	5	1st, 2nd, and 3rd Clerks in Librarian's Department	250	15	360	1,029	1,007
		4th and 5th ditto	100	10	240	375	355
1	1	Superintendent of the Treaty Department	600	25	800	800	800
1	1	Assistant	400	15	500	500	500
1	1	Clerk in ditto	250	15	360	284	269
3	3	1st Clerk in Chief Clerk's Department	400	15	500	411	545
		2nd and 3rd ditto, each	100	10	240	220	333
1	1	Supplemental Clerk in the Consular Department	250	15	360	284	269
1	1	Translator	500	- -	500	500	500
-	-	Private Secretary and Précis Writer, 300 *l.* each	- -	- -	- -	600	600
-	-	Private Secretary to the Parliamentary Under Secretary of State	- -	- -	- -	150	—
1	1	Printer	- -	- -	- -	150	150
5	5	Office-keepers, 1 at 200 *l.*, 1 at 150 *l.*, and 3 at 125 *l.*	- -	- -	- -	725	700
2	2	Office Porters, 1 at 230 *l.*, and 1 at 120 *l.*	- -	- -	- -	350	350
2	2	Doorkeepers, at 100 *l.* each	- -	- -	- -	200	200
1	1	Lamplighter and Coal Porter	- -	- -	- -	94	94
1	1	Housekeeper	- -	- -	- -	100	100
					£.	26,810	28,059
73	73	SPECIFICATION of (C.)					
		Extra Allowances to Persons on the Establishment; viz.—					
		Superintendent of the Commercial and Consular Division, in addition to his Salary as a Senior Clerk	- -	- -	- -	250	—
		First Assistant in ditto, in addition to his Salary as an Assistant Clerk	- -	- -	- -	100	—
		Chief Clerk	- -	- -	- -	- -	200
		Superintendent of the Treaty Department	- -	- -	- -	200	200
		4 Resident Clerks, at 50 *l.* each	- -	- -	- -	200	200
		1 *Clerk in Chief Clerk's Department*	- -	- -	- -	- -	100
		Tradesmen's Bills	- -	- -	- -	430	363
		Housekeeper's ditto	- -	- -	- -	597	623
		Doorkeeper's ditto	- -	- -	- -	55	63
		Miscellaneous Services	- -	- -	- -	668	751
		Expenses of the Passport Department *	- -	- -	- -	600	600
						3,100	3,100
		Messengers' Bills and Expenses of Extra Couriers			£. 24,000		
		Telegraph Expenses			3,500	27,500	22,681
					£.	30,600	25,781

* The Fees of the Passport Office, estimated for the year at 750 *l.*, will be paid to the Exchequer.

—7.—

BOARD OF TRADE.

AN ESTIMATE of the Sum that may be required in the Year ending 31st March 1868, to pay the Salaries and Expenses of the Office of the Committee of Privy Council for Trade, and Subordinate Departments.

Sixty-eight Thousand Three Hundred and Eighty-six Pounds.

Sub-Heads under which this Vote will be accounted for.

	1867-8.	1866-7.	INCREASE.	DECREASE.
	£.	£.	£.	£.
A.—Salaries, Board of Trade	44,178	42,148	2,030	—
B.— Ditto - General Register and Record Office of Seamen	14,019	13,497	522	—
C.— Ditto - Joint Stock Companies Registration Office	2,421	2,122	299	—
D.— Ditto - Designs Office	1,603	1,603	—	—
E.—Incidental Expenses, Board of Trade	4,700	4,500	200	—
F.— Ditto - General Register and Record Office of Seamen	900	900	—	—
G.— Ditto - Joint Stock Companies Registration Office	450	400	50	—
H.— Ditto - Designs Office	115	115	—	—
£.	68,386	65,285	3,101	—

INCREASE £. 3,101.

A.—SALARIES, BOARD OF TRADE:

Numbers: 1866-7.	Numbers: 1867-8.		SALARY OF OFFICE. Minimum.	Annual Increment.	Maximum.	1867-8.
			£.	£.	£.	£.
1	1	The President	2,000	—	2,000	2,000
1	1	The Vice-President	2,000	—	2,000	2,000
2	1	Secretary	1,500	—	1,500	1,500
1	—	Legal Assistant	600	40	800	—
—	2	Legal Assistant Secretaries	800	50	1,200	1,625
—	2	Assistant Secretaries	800	50	1,000	1,912 *
4	3	Assistants to the Secretaries	600	25	800	2,200
1	1	Accountant	800	50	1,000	1,000
1	1	Deputy Accountant	500	20	600	580
1	1	Book-keeper	300	15	450	304
1	1	Draughtsman	450	25	600	700 *
1	1	Librarian	450	25	600	531
17	17	Senior Clerks	320	20	600	7,052 †
23	23	Junior Clerks	100	15	300	3,856
11	10	Supplementary Clerks	150	10	300	2,222
—	1	Law Clerk	350	15	500	355
—	1	Registrar	300	10	400	360
1	1	Chief of Statistical Department	—	—	—	1,000
1	—	Chief of Meteorological Department	—	—	—	—
2	2	Professional Members (Marine Department)	800	—	800	1,600 ‡
1	1	Surveyor General	450	25	600	600 §
2	2	Nautical Assessors	—	—	—	400
3	3	Inspectors of Railways	700	50	1,000	3,000 ‖
—	1	Inspector of Railways (Junior Class)	600	25	800	600
—	—	Private Secretary to President	—	—	—	300
—	—	Ditto to Vice-President	—	—	—	150
—	—	Ditto to Secretary	—	—	—	150
44	50	Temporary Clerks	30*s.* to 60*s.* per week			5,174
1	1	Office Keeper	200	10	250	212
13	13	Messengers, including Porter	85*l.* to 120*l.* per annum			1,290
2	3	Extra Messengers	21*s.* per week			164
1	1	Firelighter and Lamptrimmer	30*s.* per week			78
						42,915
		Standard Weights and Measures Department, transferred from the Exchequer Office, under the Act 29 & 30 Vict. c. 82:				£.
—	1	Warden of Standards ¶				700
—	1	Clerk				300
—	1	Junior Clerk				100
—	1	Temporary Clerk				78
—	1	Mechanic				85
						1,263
					£.	44,178

* One of the Assistant Secretaries and the Draughtsman receive each an additional allowance of 100*l.* per annum.
† Three of these officers receive an additional allowance of 100*l.* per annum each.
‡ One of these officers receives also pay as a Captain in the Navy, at 365*l.* per annum.
§ This officer receives also half-pay as a Captain in the Navy, at 246*l.* 7*s.* 6*d.* per annum.
‖ The salaries of the Inspectors of Railways include a commuted allowance for military pay.
¶ This arrangement is provisional. It is intended that hereafter this portion of the business shall be superintended by the Assistant Secretary of the Commercial Department, who will receive, in consideration of the additional duty, a personal allowance of 100*l.* a year.

7.—BOARD OF TRADE—*continued.*

B.—SALARIES, GENERAL REGISTER AND RECORD OFFICE OF SEAMEN (17 & 18 Vict. c. 104):

Numbers.			SALARY OF OFFICE.			1867–8.
1866–7.	1867–8.		Minimum.	Annual Increment.	Maximum.	
			£.	£.	£.	£. s.
1	1	Registrar-General*	700	50	900	900 –
1	1	Inspector	500	25	700	542 –
4	4	First Class Clerks†	380	20	500	1,985 –
12	12	Second Class Clerks	250	15	350	3,786 –
21	21	Third Class Clerks	100	10	220	3,537 –
24	24	Temporary Clerks, 30 *s.* to 60 *s.* per week	–	–	–	2,392 –
3	3	Sorters, 30 *s.* per week	–	–	–	234 –
1	1	Lithographer	–	–	–	78 –
1	1	Office Keeper and Housekeeper	–	–	–	120 –
5	5	Messengers, £. 65 to £. 100	–	–	–	393 –
1	1	Porter, 20 *s.* per week	–	–	–	52 –
74	74				£.	14,019 –

* The Registrar General receives also 100 *l.* a year from the Mercantile Marine Fund.

† One of the First Class Clerks receives an additional allowance of 50 *l.* for assisting at Prosecutions, and 50 *l.* from Naval Funds in connection with the Naval Reserve.

C.—SALARIES, JOINT STOCK COMPANIES REGISTRATION OFFICE:

Numbers.			SALARY OF OFFICE.			1867–8.
1866–7.	1867–8.		Minimum.	Annual Increment.	Maximum.	
			£.	£.	£.	£. s.
1	1	Registrar	700	–	700	700 –
1	1	Assistant Registrar for Ireland	250	10	300	263 –
1	1	Chief Clerk	300	15	400	400 –
1	1	Senior Clerk	180	10	280	199 –
2	2	Clerks	80	10	150	265 –
–	2	Temporary Clerks	78	–	78	156 –
1	1	Clerk for Scotland	80	10	180	148 –
1	1	Assistant Registrar at Truro	–	–	–	50 –
1	1	Office Keeper	80	5	100	100 –
2	2	Messengers	70	–	70	140 –
11	13				£.	2,421 –

Note.—The amount of fees received for the period between 1st January and 31st December 1866 was £. 14,589. 17 *s.* These fees are paid into the Exchequer.

Proposed Form. (13) **[Class II.]**

7.—BOARD OF TRADE—*continued.*

D.—SALARIES, DESIGNS OFFICE:

Numbers. 1866-7.	Numbers. 1867-8.		SALARY OF OFFICE. Minimum.	Annual Increment.	Maximum.	1867-8. £. s.
			£.	£.	£.	
1	1	Registrar	- -	- -	- -	600 –
1	1	Assistant Registrar	- -	- -	- -	300 –
1	1	Chief Clerk	- -	- -	- -	200 –
1	1	Clerk	- -	- -	- -	150 –
			Fixed Salaries			
1	1	Ditto	- -	- -	- -	120 –
1	1	Office Keeper	- -	- -	- -	75 –
1	1	Messenger	- -	- -	- -	70 –
1	1	Printer and Messenger	- -	- -	- -	88 –
8	8				£.	1,603 –

Note.—The amount of fees received for the period from 1st January to 31st December 1866 was £. 2,671. 15 *s.* These fees are paid into the Exchequer.

	£. s.	£. s.
E.—INCIDENTAL EXPENSES:		
Board of Trade - - - - - - - - - - - - - -	4,500 –	
Standard Weights and Measures Department - - - - - - -	200 –	
		4,700 –
F.—INCIDENTAL EXPENSES, GENERAL REGISTER AND RECORD OFFICE OF SEAMEN -		900 –
G.—INCIDENTAL EXPENSES, JOINT STOCK COMPANIES REGISTER OFFICE - - -		450 –
H.—INCIDENTAL EXPENSES, DESIGNS OFFICE - - - - - - - - - - -		115 –

— 7. —

BOARD OF TRADE.

AN ESTIMATE of the Sum that may be required in the Year ending 31st March 1868, to pay the Salaries and Expenses of the Office of the Committee of Privy Council for Trade, and Subordinate Departments.

Sixty-eight Thousand Three Hundred and Eighty-six Pounds.

	1867-8.		1866-7.
Salaries:	£.	£.	£. s. d.
Board of Trade (A.)	44,378		42,148 – –
General Register and Record Office of Seamen (B.)	14,019		13,497 – –
Joint Stock Companies Registration Office (C.)	2,421		2,122 – –
Designs Office (D.)	1,603		1,603 – –
		62,421	
Contingent Expenses:			
Board of Trade	4,500		4,500 – –
General Register and Record Office of Seamen	900		900 – –
Joint Stock Companies Registration Office	450		400 – –
Designs Office	115		115 – –
		5,965	
	£.	68,386	65,285 – –

(A.) BOARD OF TRADE.

Numbers.			SALARY OF OFFICE.			1867-8.	1866-7.
1866-7.	1867-8.		Minimum.	Annual Increment.	Maximum.		
			£.	£.	£.	£.	£.
1	1	The President	2,000	–	2,000	2,000	2,000
1	1	The Vice-President	2,000	–	2,000	2,000	2,000
2	1	Secretary	1,500	–	1,500	1,500	3,000
1	–	Legal Assistant	600	40	800	–	1,000
–	2	Legal Assistant Secretaries	800	50	1,200	1,625	—
–	2	Assistant Secretaries	800	50	1,000	1,912 *	—
4	3	Assistants to the Secretaries	600	25	800	2,200	3,025
1	1	Accountant	800	50	1,000	1,000	1,000
1	1	Deputy Accountant	500	20	600	580	560
1	1	Book-keeper	300	15	450	304	345
1	1	Draughtsman	450	25	600	700 *	578
1	1	Librarian	450	25	600	531	506
17	17	Senior Clerks	320	20	600	7,052 †	7,122
23	23	Junior Clerks	100	15	300	3,856	4,154
11	10	Supplementary Clerks	150	10	300	2,222	2,472
–	1	Law Clerk	350	15	500	355	—
–	1	Registrar	300	10	400	360	—
1	1	Chief of Statistical Department	–	–	–	1,000	1,000
1	–	Chief of Meteorological Department	–	–	–	–	800
2	2	Professional Members (Marine Department)	800	–	800	1,600 ‡	1,600
1	1	Surveyor General	450	25	600	600 §	600
2	2	Nautical Assessors	–	–	–	400	400
3	3	Inspectors of Railways	700	50	1,000	3,000 ‖	2,959
–	1	Inspector of Railways (Junior Class)	600	25	800	600	—
–	–	Private Secretary to President	–	–	–	300	300
–	–	Ditto to Vice-President	–	–	–	150	150
–	–	Ditto to Secretary	–	–	–	150	200
44	50	Temporary Clerks	30 *s.* to 60 *s.* per week			5,174	4,700
1	1	Office Keeper	200	10	250	212	200
13	13	Messengers, including Porter	85 *l.* to 120 *l.* per annum			1,290	1,290
2	3	Extra Messengers	21 *s.* per week			164	109
1	1	Firelighter and Lamptrimmer	30 *s.* per week			78	78
						42,915	42,148
		Standard Weights and Measures Department, transferred from the Exchequer Office, under the Act 29 & 30 Vict. c. 82:					
					£.		
–	1	Warden of Standards ¶			700		
–	1	Clerk			300		
–	1	Junior Clerk			100		
–	1	Temporary Clerk			78		
–	1	Mechanic			85		
					1,263		
		Contingencies			200		
						1,463	
		Contingencies:					
		Travelling, Advertisements, and other Expenses				4,500	4,500
136	150				£.	48,878	46,648

* One of the Assistant Secretaries and the Draughtsman receive each an additional allowance of 100*l.* per annum.
† Three of these officers receive an additional allowance of 100 *l.* per annum each.
‡ One of these officers receives also pay as a Captain in the Navy, at 365 *l.* per annum.
§ This officer receives also half-pay as a Captain in the Navy, at 246 *l.* 7 *s.* 6 *d.* per annum.
‖ The salaries of the Inspectors of Railways include a commuted allowance for military pay.
¶ This arrangement is provisional. It is intended that hereafter this portion of the business shall be superintended by the Assistant Secretary of the Commercial Department, who will receive, in consideration of the additional duty, an allowance of 100 *l.* a year.

7.—BOARD OF TRADE—*continued.*

(B.) GENERAL REGISTER AND RECORD OFFICE OF SEAMEN.
(17 & 18 Vict. c. 104.)

Numbers.			SALARY OF OFFICE.			1867-8.	1866-7.
1866-7.	1867-8.		Minimum.	Annual Increment.	Maximum.		
			£.	£.	£.	£. s.	£. s.
1	1	Registrar-General *	700	50	900	900 –	870 –
1	1	Inspector	500	25	700	542 –	517 –
4	4	First Class Clerks †	380	20	500	1,085 –	1,965 –
12	12	Second Class Clerks	250	15	350	3,786 –	3,636 –
21	21	Third Class Clerks	100	10	220	3,537 –	3,342 –
24	24	Temporary Clerks, 30 *s.* to 60 *s.* per week	-	-	-	2,392 –	2,292 –
3	3	Sorters, 30 *s.* per week	-	-	-	234 –	234 –
1	1	Lithographer	-	-	-	78 –	78 –
1	1	Office Keeper and Housekeeper	-	-	-	120 –	120 –
5	5	Messengers, £. 65 to £. 100	-	-	-	393 –	391 –
1	1	Porter, 20 *s.* per week	-	-	-	52 –	52 –
						14,019 –	13,497 –
		Contingent Expenses				900 –	900 –
74	74				£.	14,919 –	14,397 –

* The Registrar General receives also 100 *l.* a year from the Mercantile Marine Fund.
† One of the First Class Clerks receives an additional allowance of 50 *l.* for assisting at Prosecutions, and 50 *l.* from Naval Funds in connection with the Naval Reserve.

(C.) JOINT STOCK COMPANIES REGISTRATION OFFICE.

Numbers.			SALARY OF OFFICE.			1867-8.	1866-7.
1866-7.	1867-8.		Minimum.	Annual Increment.	Maximum.		
			£.	£.	£.	£. s.	£. s.
1	1	Registrar	700	-	700	700 –	700 –
1	1	Assistant Registrar for Ireland	250	10	300	263 –	200 –
1	1	Chief Clerk	300	15	400	400 –	400 –
1	1	Senior Clerk	180	10	280	199 –	189 –
2	2	Clerks	80	10	150	265 –	255 –
–	2	Temporary Clerks	78	-	78	156 –	—
1	1	Clerk for Scotland	80	10	180	148 –	138 –
1	1	Assistant Registrar at Truro	-	-	-	50 –	*
1	1	Office Keeper	80	5	100	100 –	100 –
2	2	Messengers	70	-	70	140 –	140 –
						2,421 –	2,122 –
		Contingent Expenses				450 –	400 –
11	13				£.	2,871 –	2,522 –

* Hitherto paid out of Fees.
Note.—The amount of fees received for the period between 1st January and 31st December 1866 was £. 14,589. 17 *s.* These fees are paid into the Exchequer.

(D.) DESIGNS OFFICE.

Numbers.			SALARY OF OFFICE.			1867-8.	1866-7.
1866-7.	1867-8.		Minimum.	Annual Increment.	Maximum		
			£.	£.	£.	£. s.	£. s.
1	1	Registrar	-	-	-	600 –	600 –
1	1	Assistant Registrar	-	-	-	300 –	300 –
1	1	Chief Clerk	-	-	-	200 –	200 –
1	1	Clerk	-	-	-	150 –	150 –
1	1	Ditto	-	Fixed salaries	-	120 –	120 –
1	1	Office Keeper	-	-	-	75 –	75 –
1	1	Messenger	-	-	-	70 –	70 –
1	1	Printer and Messenger	-	-	-	88 –	88 –
						1,603 –	1,603 –
		Contingent Expenses				115 –	115 –
8	8				£.	1,718 –	1,718 –

Note.—The amount of fees received for the period from 1st January to 31st December 1866 was £. 2,671. 15 *s.* These fees are paid into the Exchequer.

FIRST REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
29 *May* 1867.

[*Price* 8*d.*]

333.

Under 8 *oz.*

SECOND

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE

AND

MINUTES OF EVIDENCE.

Ordered, by The House of Commons, *to be Printed,*
7 August 1867.

519.

Monday, 18*th February* 1867.

Ordered, THAT the Committee of Public Accounts do consist of the following Members:—

Mr. Bouverie.	Mr. Hubbard.
Mr. Howes.	Mr. Childers.
Mr. Laing.	Mr. Algernon Egerton.
Lord Robert Montagu.	Mr. Hunt.
Mr. Pollard-Urquhart.	

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Ordered, THAT the Standing Order "That Five be the Quorum" be suspended.

Ordered, THAT Three be the Quorum of the Committee.

Friday, 1*st March* 1867.

Ordered, THAT Mr. Bouverie be discharged from further attendance on the Committee and that Mr. Hankey be added to the Committee.

Tuesday, 28*th May* 1867.

Ordered, THAT the Copy of the Treasury Minute, dated the 6th February 1867, respecting the Classification of the Miscellaneous Estimates for Civil Services (presented 11th March) be referred to the Committee of Public Accounts.

Wednesday, 29*th May* 1867.

Ordered, THAT the Committee have power to report their Observations, from time to time, to The House.

Wednesday, 7*th August* 1867.

Ordered, THAT the Committee have power to report the Minutes of Evidence taken before them to The House.

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SECOND REPORT.

THE COMMITTEE of PUBLIC ACCOUNTS have made further progress in the Matters to them referred, and have agreed to the following SECOND REPORT:—

YOUR COMMITTEE have had under their consideration the Appropriation Accounts of the Expenditure in the Financial Year 1865–6, for Army, Navy, and Revenue Services, and that of the Departments of Works, and of the Woods and Forests. It appears to your Committee very desirable that an early decision should be arrived at on the question whether certain extra receipts (not being sales of old stores, &c.) should be paid into the Exchequer or carried to the credit of the Votes. This question has, on former occasions, come before the Committee of Public Accounts, and has been for some time the subject of Departmental Inquiry under the instructions of the Treasury.

It is also, in the opinion of your Committee, deserving of consideration whether the officers charged with the Departmental Audit, both of Cash and Store Accounts, might not be, in respect of such Audit, to a greater extent than at present, independent of the Heads of Department by whom the Expenditure of such money or stores is ordered.

Your Committee also recommend that the respective Accountants General should, at the foot of the Appropriation Accounts of Army and Navy Expenditure, declare that no part of such Expenditure has been incurred without authority superior to that of the Department, in cases where such superior authority is required by the regulations then in force.

Your Committee have no other remarks to offer on the Accounts under review.

7 August 1867.

PROCEEDINGS OF THE COMMITTEE.

Wednesday, 7th August 1867.

MEMBERS PRESENT:

Mr. Childers.	Mr. Howes.
Mr. Algernon Egerton.	Mr. Hankey.

Mr. *C. Vine*, further examined.

Mr. *Henry Bathurst*, examined.

The Committee deliberated. Second Report read, and *agreed to.*

Ordered, To Report, together with the Minutes of Evidence.

MINUTES OF EVIDENCE.

Wednesday, 7th August 1867.

MEMBERS PRESENT:

Mr. Childers.	Mr. Hankey.
Mr. Algernon Egerton.	Mr. Howes.

HUGH C. E. CHILDERS, Esq., IN THE CHAIR.

Charles Vine, Esq., further Examined.

C. Vine, Esq.
7 Aug. 1867.

502. *Chairman.*] With reference to the Appropriation Accounts of the Revenue Departments for the year 1865–6, there is no Audit Office remark, I think, upon the Customs Account?—No; there is no remark upon the Customs Account.

503. There is no remark, I think, upon the Inland Revenue Account, except with regard to the old question of the extra receipts?—That is the only remark.

504. And the general inquiry as to the extra receipts may be deemed to be in a forward state, though it is very desirable that it should be concluded in the course of next year?—Yes, it is very desirable indeed; a great number of questions depending upon it are arising upon the investigation of the Civil Service Accounts.

505. In the Post Office Account there are one or two minor inaccuracies, which I think have been corrected?—They have been corrected. It is shown in the Treasury Minute, at page 4, that they have been corrected.

506. The extra receipt question arises upon paragraph 11, also?—Yes.

507. The adjustment of the accounts with the Colonies, which was not quite in a satisfactory state some time ago, is now, I think, getting straight, is it not?—Yes.

508. There is no question arising about it?—No.

509. A question has arisen with regard to unclaimed Post Office orders, will you kindly explain it?—The lapsed Post Office orders have been used by the Post Office, to form a fund for assisting officers of the department in the insurance of their lives, and the question is whether they are authorised in doing that.

510. What in your opinion ought to be done with the money represented by lapsed Post Office orders?—It appears to me that it should be paid into the Exchequer, and that if the orders are ever presented, Parliament should provide the means of paying them.

511. And that no fund should be created by a department out of money which neither belongs to them nor has been appropriated by Parliament?—I think not.

512. Have the Treasury yet made any remark upon that?—No, no remark has been made by them.

513. That question stands open at the present moment?—It does.

514. Meanwhile you have not allowed the expenditure so far as you are concerned?—It is subject to this remark.

515. Do you suppose that that question will arise again?—Yes.

516. And you will raise the same objection next year?—No doubt it will be raised.

517. And then it will be necessary for the Treasury to come to some distinct view upon the subject?—I should presume so.

518. No question arises upon the non-effectives?—No.

Henry Thomas Dundas Bathurst, Esq.; Examined.

H. T. D. Bathurst, Esq.

519. *Chairman.*] You hold the office of Inspector in the Exchequer and Audit Department, I believe?—I do.

520. And the accounts both of the Woods, Forests, and Land Revenues, and of the Works, come under your inspection?—Yes, they are under my charge.

521. Going first to the land revenue; no question, I think, has been raised except with respect to the Landed Estates and Record Offices?—That is

H. T. D. Bathurst, Esq.

7 Aug. 1867.

is the only question; the only voted services under the Commissioners of Woods are their own salaries, the expenses of their own office, and a portion of the expenses of the Landed Estates and Record Offices; there are two Record Offices, one in Dublin and one in London; the office in London is the only one under their control.

522. If I understand you rightly, the entire vote for the Record Offices is not under the Commissioners of Woods?—No, it is not.

523. But it is partly under them, and partly under the Treasury?—Yes, exactly.

524. Will the Act of last Session remedy this inconvenience?—Yes; it will be remedied by the Exchequer and Audit Act; these being voted services there will, of course, be an appropriation audit of them, and whenever the Treasury give directions for bringing those Votes together, it will be done.

525. And the whole Vote must be under one department?—Yes.

526. So that the objection you have raised will be cured?—Yes.

527. I think you raised, in previous years, an objection as to the payment of the solicitor's bill in the Woods Department, did you not?—Yes, there was a question about it; some of their solicitor's bills were paid out of the income of Land Revenue, and some were paid out of the Vote.

528. That has now been remedied?—That has now been remedied under the Treasury directions.

529. And there is no outstanding recommendation upon the Woods Account at present?—No.

530. Coming now to the Works Estimates, the only question, I think, remaining is as to the sale of some buildings connected with the Bethlehem Hospital?—A portion of the buildings connected with the Bethlehem Hospital, which, I believe, was used for criminal lunatics, was pulled down, and the materials were sold by the Commissioners of Works. They paid 100 *l.* for making good the ground, and retained in their hands 1,323 *l.* It was noticed by the Commissioners of Audit that that was money properly belonging to the Exchequer; but the Treasury state that there are some claims still upon it, and therefore it still remains in the hands of the Commissioner of Works.

531. Those claims satisfied, there is no difference of opinion between you and the Treasury as to what shall be done with the money?—No.

532. That has not yet been settled?—No.

533. But there is no doubt that it will be settled?—No.

SECOND REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE

AND

MINUTES OF EVIDENCE.

Ordered, by The House of Commons, *to be Printed,*
7 *August* 1867.

519. *Under* 1 *oz.*